

1 AN ACT with respect to taxation.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The State Finance Act is amended by changing  
5 Sections 6z-18 and 6z-20 as follows:

6 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

7 Sec. 6z-18. A portion of the money paid into the Local  
8 Government Tax Fund from sales of food for human consumption  
9 which is to be consumed off the premises where it is sold  
10 (other than alcoholic beverages, soft drinks and food which  
11 has been prepared for immediate consumption) and prescription  
12 and nonprescription medicines, drugs, medical appliances and  
13 insulin, urine testing materials, syringes and needles used  
14 by diabetics, which occurred in municipalities, shall be  
15 distributed to each municipality based upon the sales which  
16 occurred in that municipality. The remainder shall be  
17 distributed to each county based upon the sales which  
18 occurred in the unincorporated area of that county.

19 A portion of the money paid into the Local Government Tax  
20 Fund from the 6.25% general use tax rate on the selling price  
21 of tangible personal property which is purchased outside  
22 Illinois at retail from a retailer and which is titled or  
23 registered by any agency of this State's government shall be  
24 distributed to municipalities as provided in this paragraph.  
25 Each municipality shall receive the amount attributable to  
26 sales for which Illinois addresses for titling or  
27 registration purposes are given as being in such  
28 municipality. The remainder of the money paid into the Local  
29 Government Tax Fund from such sales shall be distributed to  
30 counties. Each county shall receive the amount attributable  
31 to sales for which Illinois addresses for titling or

1 registration purposes are given as being located in the  
2 unincorporated area of such county.

3 A portion of the money paid into the Local Government Tax  
4 Fund from the 6.25% general rate (and, beginning July 1, 2000  
5 and through December 31, 2000, the 1.25% rate on motor fuel  
6 and gasohol, and, beginning July 1, 2001 and through June 30,  
7 2003, the 1.25% rate on motor fuel used in implements of  
8 husbandry) on sales subject to taxation under the Retailers'  
9 Occupation Tax Act and the Service Occupation Tax Act, which  
10 occurred in municipalities, shall be distributed to each  
11 municipality, based upon the sales which occurred in that  
12 municipality. The remainder shall be distributed to each  
13 county, based upon the sales which occurred in the  
14 unincorporated area of such county.

15 For the purpose of determining allocation to the local  
16 government unit, a retail sale by a producer of coal or other  
17 mineral mined in Illinois is a sale at retail at the place  
18 where the coal or other mineral mined in Illinois is  
19 extracted from the earth. This paragraph does not apply to  
20 coal or other mineral when it is delivered or shipped by the  
21 seller to the purchaser at a point outside Illinois so that  
22 the sale is exempt under the United States Constitution as a  
23 sale in interstate or foreign commerce.

24 Whenever the Department determines that a refund of money  
25 paid into the Local Government Tax Fund should be made to a  
26 claimant instead of issuing a credit memorandum, the  
27 Department shall notify the State Comptroller, who shall  
28 cause the order to be drawn for the amount specified, and to  
29 the person named, in such notification from the Department.  
30 Such refund shall be paid by the State Treasurer out of the  
31 Local Government Tax Fund.

32 On or before the 25th day of each calendar month, the  
33 Department shall prepare and certify to the Comptroller the  
34 disbursement of stated sums of money to named municipalities

1 and counties, the municipalities and counties to be those  
2 entitled to distribution of taxes or penalties paid to the  
3 Department during the second preceding calendar month. The  
4 amount to be paid to each municipality or county shall be the  
5 amount (not including credit memoranda) collected during the  
6 second preceding calendar month by the Department and paid  
7 into the Local Government Tax Fund, plus an amount the  
8 Department determines is necessary to offset any amounts  
9 which were erroneously paid to a different taxing body, and  
10 not including an amount equal to the amount of refunds made  
11 during the second preceding calendar month by the Department,  
12 and not including any amount which the Department determines  
13 is necessary to offset any amounts which are payable to a  
14 different taxing body but were erroneously paid to the  
15 municipality or county. Within 10 days after receipt, by the  
16 Comptroller, of the disbursement certification to the  
17 municipalities and counties, provided for in this Section to  
18 be given to the Comptroller by the Department, the  
19 Comptroller shall cause the orders to be drawn for the  
20 respective amounts in accordance with the directions  
21 contained in such certification.

22 When certifying the amount of monthly disbursement to a  
23 municipality or county under this Section, the Department  
24 shall increase or decrease that amount by an amount necessary  
25 to offset any misallocation of previous disbursements. The  
26 offset amount shall be the amount erroneously disbursed  
27 within the 6 months preceding the time a misallocation is  
28 discovered.

29 The provisions directing the distributions from the  
30 special fund in the State Treasury provided for in this  
31 Section shall constitute an irrevocable and continuing  
32 appropriation of all amounts as provided herein. The State  
33 Treasurer and State Comptroller are hereby authorized to make  
34 distributions as provided in this Section.

1           In construing any development, redevelopment, annexation,  
2           preannexation or other lawful agreement in effect prior to  
3           September 1, 1990, which describes or refers to receipts from  
4           a county or municipal retailers' occupation tax, use tax or  
5           service occupation tax which now cannot be imposed, such  
6           description or reference shall be deemed to include the  
7           replacement revenue for such abolished taxes, distributed  
8           from the Local Government Tax Fund.

9           (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99;  
10          91-872, eff. 7-1-00.)

11          (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

12          Sec. 6z-20. Of the money received from the 6.25% general  
13          rate (and, beginning July 1, 2000 and through December 31,  
14          2000, the 1.25% rate on motor fuel and gasohol, and,  
15          beginning July 1, 2001 and through June 30, 2003, the 1.25%  
16          rate on motor fuel used in implements of husbandry) on sales  
17          subject to taxation under the Retailers' Occupation Tax Act  
18          and Service Occupation Tax Act and paid into the County and  
19          Mass Transit District Fund, distribution to the Regional  
20          Transportation Authority tax fund, created pursuant to  
21          Section 4.03 of the Regional Transportation Authority Act,  
22          for deposit therein shall be made based upon the retail sales  
23          occurring in a county having more than 3,000,000 inhabitants.  
24          The remainder shall be distributed to each county having  
25          3,000,000 or fewer inhabitants based upon the retail sales  
26          occurring in each such county.

27          For the purpose of determining allocation to the local  
28          government unit, a retail sale by a producer of coal or other  
29          mineral mined in Illinois is a sale at retail at the place  
30          where the coal or other mineral mined in Illinois is  
31          extracted from the earth. This paragraph does not apply to  
32          coal or other mineral when it is delivered or shipped by the  
33          seller to the purchaser at a point outside Illinois so that

1 the sale is exempt under the United States Constitution as a  
2 sale in interstate or foreign commerce.

3 Of the money received from the 6.25% general use tax rate  
4 on tangible personal property which is purchased outside  
5 Illinois at retail from a retailer and which is titled or  
6 registered by any agency of this State's government and paid  
7 into the County and Mass Transit District Fund, the amount  
8 for which Illinois addresses for titling or registration  
9 purposes are given as being in each county having more than  
10 3,000,000 inhabitants shall be distributed into the Regional  
11 Transportation Authority tax fund, created pursuant to  
12 Section 4.03 of the Regional Transportation Authority Act.  
13 The remainder of the money paid from such sales shall be  
14 distributed to each county based on sales for which Illinois  
15 addresses for titling or registration purposes are given as  
16 being located in the county. Any money paid into the  
17 Regional Transportation Authority Occupation and Use Tax  
18 Replacement Fund from the County and Mass Transit District  
19 Fund prior to January 14, 1991, which has not been paid to  
20 the Authority prior to that date, shall be transferred to the  
21 Regional Transportation Authority tax fund.

22 Whenever the Department determines that a refund of money  
23 paid into the County and Mass Transit District Fund should be  
24 made to a claimant instead of issuing a credit memorandum,  
25 the Department shall notify the State Comptroller, who shall  
26 cause the order to be drawn for the amount specified, and to  
27 the person named, in such notification from the Department.  
28 Such refund shall be paid by the State Treasurer out of the  
29 County and Mass Transit District Fund.

30 On or before the 25th day of each calendar month, the  
31 Department shall prepare and certify to the Comptroller the  
32 disbursement of stated sums of money to the Regional  
33 Transportation Authority and to named counties, the counties  
34 to be those entitled to distribution, as hereinabove

1 provided, of taxes or penalties paid to the Department during  
2 the second preceding calendar month. The amount to be paid  
3 to the Regional Transportation Authority and each county  
4 having 3,000,000 or fewer inhabitants shall be the amount  
5 (not including credit memoranda) collected during the second  
6 preceding calendar month by the Department and paid into the  
7 County and Mass Transit District Fund, plus an amount the  
8 Department determines is necessary to offset any amounts  
9 which were erroneously paid to a different taxing body, and  
10 not including an amount equal to the amount of refunds made  
11 during the second preceding calendar month by the Department,  
12 and not including any amount which the Department determines  
13 is necessary to offset any amounts which were payable to a  
14 different taxing body but were erroneously paid to the  
15 Regional Transportation Authority or county. Within 10 days  
16 after receipt, by the Comptroller, of the disbursement  
17 certification to the Regional Transportation Authority and  
18 counties, provided for in this Section to be given to the  
19 Comptroller by the Department, the Comptroller shall cause  
20 the orders to be drawn for the respective amounts in  
21 accordance with the directions contained in such  
22 certification.

23 When certifying the amount of a monthly disbursement to  
24 the Regional Transportation Authority or to a county under  
25 this Section, the Department shall increase or decrease that  
26 amount by an amount necessary to offset any misallocation of  
27 previous disbursements. The offset amount shall be the  
28 amount erroneously disbursed within the 6 months preceding  
29 the time a misallocation is discovered.

30 The provisions directing the distributions from the  
31 special fund in the State Treasury provided for in this  
32 Section and from the Regional Transportation Authority tax  
33 fund created by Section 4.03 of the Regional Transportation  
34 Authority Act shall constitute an irrevocable and continuing

1 appropriation of all amounts as provided herein. The State  
2 Treasurer and State Comptroller are hereby authorized to make  
3 distributions as provided in this Section.

4 In construing any development, redevelopment, annexation,  
5 preannexation or other lawful agreement in effect prior to  
6 September 1, 1990, which describes or refers to receipts from  
7 a county or municipal retailers' occupation tax, use tax or  
8 service occupation tax which now cannot be imposed, such  
9 description or reference shall be deemed to include the  
10 replacement revenue for such abolished taxes, distributed  
11 from the County and Mass Transit District Fund or Local  
12 Government Distributive Fund, as the case may be.

13 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

14 Section 10. The Use Tax Act is amended by changing  
15 Sections 3-10 and 9 as follows:

16 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

17 Sec. 3-10. Rate of tax. Unless otherwise provided in  
18 this Section, the tax imposed by this Act is at the rate of  
19 6.25% of either the selling price or the fair market value,  
20 if any, of the tangible personal property. In all cases  
21 where property functionally used or consumed is the same as  
22 the property that was purchased at retail, then the tax is  
23 imposed on the selling price of the property. In all cases  
24 where property functionally used or consumed is a by-product  
25 or waste product that has been refined, manufactured, or  
26 produced from property purchased at retail, then the tax is  
27 imposed on the lower of the fair market value, if any, of the  
28 specific property so used in this State or on the selling  
29 price of the property purchased at retail. For purposes of  
30 this Section "fair market value" means the price at which  
31 property would change hands between a willing buyer and a  
32 willing seller, neither being under any compulsion to buy or

1 sell and both having reasonable knowledge of the relevant  
2 facts. The fair market value shall be established by Illinois  
3 sales by the taxpayer of the same property as that  
4 functionally used or consumed, or if there are no such sales  
5 by the taxpayer, then comparable sales or purchases of  
6 property of like kind and character in Illinois.

7 Beginning on July 1, 2000 and through December 31, 2000,  
8 with respect to motor fuel, as defined in Section 1.1 of the  
9 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40  
10 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

11 Beginning on July 1, 2001 and through June 30, 2003, with  
12 respect to motor fuel, as defined in Section 1.1 of the Motor  
13 Fuel Tax Law, used in implements of husbandry, as defined in  
14 Section 1-130 of the Illinois Vehicle Code, the tax is  
15 imposed at the rate of 1.25%.

16 With respect to gasohol, the tax imposed by this Act  
17 applies to 70% of the proceeds of sales made on or after  
18 January 1, 1990, and before July 1, 2003, and to 100% of the  
19 proceeds of sales made thereafter.

20 With respect to food for human consumption that is to be  
21 consumed off the premises where it is sold (other than  
22 alcoholic beverages, soft drinks, and food that has been  
23 prepared for immediate consumption) and prescription and  
24 nonprescription medicines, drugs, medical appliances,  
25 modifications to a motor vehicle for the purpose of rendering  
26 it usable by a disabled person, and insulin, urine testing  
27 materials, syringes, and needles used by diabetics, for human  
28 use, the tax is imposed at the rate of 1%. For the purposes  
29 of this Section, the term "soft drinks" means any complete,  
30 finished, ready-to-use, non-alcoholic drink, whether  
31 carbonated or not, including but not limited to soda water,  
32 cola, fruit juice, vegetable juice, carbonated water, and all  
33 other preparations commonly known as soft drinks of whatever  
34 kind or description that are contained in any closed or

1 sealed bottle, can, carton, or container, regardless of size.  
2 "Soft drinks" does not include coffee, tea, non-carbonated  
3 water, infant formula, milk or milk products as defined in  
4 the Grade A Pasteurized Milk and Milk Products Act, or drinks  
5 containing 50% or more natural fruit or vegetable juice.

6 Notwithstanding any other provisions of this Act, "food  
7 for human consumption that is to be consumed off the premises  
8 where it is sold" includes all food sold through a vending  
9 machine, except soft drinks and food products that are  
10 dispensed hot from a vending machine, regardless of the  
11 location of the vending machine.

12 If the property that is purchased at retail from a  
13 retailer is acquired outside Illinois and used outside  
14 Illinois before being brought to Illinois for use here and is  
15 taxable under this Act, the "selling price" on which the tax  
16 is computed shall be reduced by an amount that represents a  
17 reasonable allowance for depreciation for the period of prior  
18 out-of-state use.

19 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
20 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

21 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

22 Sec. 9. Except as to motor vehicles, watercraft,  
23 aircraft, and trailers that are required to be registered  
24 with an agency of this State, each retailer required or  
25 authorized to collect the tax imposed by this Act shall pay  
26 to the Department the amount of such tax (except as otherwise  
27 provided) at the time when he is required to file his return  
28 for the period during which such tax was collected, less a  
29 discount of 2.1% prior to January 1, 1990, and 1.75% on and  
30 after January 1, 1990, or \$5 per calendar year, whichever is  
31 greater, which is allowed to reimburse the retailer for  
32 expenses incurred in collecting the tax, keeping records,  
33 preparing and filing returns, remitting the tax and supplying

1 data to the Department on request. In the case of retailers  
2 who report and pay the tax on a transaction by transaction  
3 basis, as provided in this Section, such discount shall be  
4 taken with each such tax remittance instead of when such  
5 retailer files his periodic return. A retailer need not  
6 remit that part of any tax collected by him to the extent  
7 that he is required to remit and does remit the tax imposed  
8 by the Retailers' Occupation Tax Act, with respect to the  
9 sale of the same property.

10 Where such tangible personal property is sold under a  
11 conditional sales contract, or under any other form of sale  
12 wherein the payment of the principal sum, or a part thereof,  
13 is extended beyond the close of the period for which the  
14 return is filed, the retailer, in collecting the tax (except  
15 as to motor vehicles, watercraft, aircraft, and trailers that  
16 are required to be registered with an agency of this State),  
17 may collect for each tax return period, only the tax  
18 applicable to that part of the selling price actually  
19 received during such tax return period.

20 Except as provided in this Section, on or before the  
21 twentieth day of each calendar month, such retailer shall  
22 file a return for the preceding calendar month. Such return  
23 shall be filed on forms prescribed by the Department and  
24 shall furnish such information as the Department may  
25 reasonably require.

26 The Department may require returns to be filed on a  
27 quarterly basis. If so required, a return for each calendar  
28 quarter shall be filed on or before the twentieth day of the  
29 calendar month following the end of such calendar quarter.  
30 The taxpayer shall also file a return with the Department for  
31 each of the first two months of each calendar quarter, on or  
32 before the twentieth day of the following calendar month,  
33 stating:

- 34 1. The name of the seller;

1           2. The address of the principal place of business  
2           from which he engages in the business of selling tangible  
3           personal property at retail in this State;

4           3. The total amount of taxable receipts received by  
5           him during the preceding calendar month from sales of  
6           tangible personal property by him during such preceding  
7           calendar month, including receipts from charge and time  
8           sales, but less all deductions allowed by law;

9           4. The amount of credit provided in Section 2d of  
10          this Act;

11          5. The amount of tax due;

12          5-5. The signature of the taxpayer; and

13          6. Such other reasonable information as the  
14          Department may require.

15          If a taxpayer fails to sign a return within 30 days after  
16          the proper notice and demand for signature by the Department,  
17          the return shall be considered valid and any amount shown to  
18          be due on the return shall be deemed assessed.

19          Beginning October 1, 1993, a taxpayer who has an average  
20          monthly tax liability of \$150,000 or more shall make all  
21          payments required by rules of the Department by electronic  
22          funds transfer. Beginning October 1, 1994, a taxpayer who has  
23          an average monthly tax liability of \$100,000 or more shall  
24          make all payments required by rules of the Department by  
25          electronic funds transfer. Beginning October 1, 1995, a  
26          taxpayer who has an average monthly tax liability of \$50,000  
27          or more shall make all payments required by rules of the  
28          Department by electronic funds transfer. Beginning October 1,  
29          2000, a taxpayer who has an annual tax liability of \$200,000  
30          or more shall make all payments required by rules of the  
31          Department by electronic funds transfer. The term "annual  
32          tax liability" shall be the sum of the taxpayer's liabilities  
33          under this Act, and under all other State and local  
34          occupation and use tax laws administered by the Department,

1 for the immediately preceding calendar year. The term  
2 "average monthly tax liability" means the sum of the  
3 taxpayer's liabilities under this Act, and under all other  
4 State and local occupation and use tax laws administered by  
5 the Department, for the immediately preceding calendar year  
6 divided by 12.

7 Before August 1 of each year beginning in 1993, the  
8 Department shall notify all taxpayers required to make  
9 payments by electronic funds transfer. All taxpayers required  
10 to make payments by electronic funds transfer shall make  
11 those payments for a minimum of one year beginning on October  
12 1.

13 Any taxpayer not required to make payments by electronic  
14 funds transfer may make payments by electronic funds transfer  
15 with the permission of the Department.

16 All taxpayers required to make payment by electronic  
17 funds transfer and any taxpayers authorized to voluntarily  
18 make payments by electronic funds transfer shall make those  
19 payments in the manner authorized by the Department.

20 The Department shall adopt such rules as are necessary to  
21 effectuate a program of electronic funds transfer and the  
22 requirements of this Section.

23 Before October 1, 2000, if the taxpayer's average monthly  
24 tax liability to the Department under this Act, the  
25 Retailers' Occupation Tax Act, the Service Occupation Tax  
26 Act, the Service Use Tax Act was \$10,000 or more during the  
27 preceding 4 complete calendar quarters, he shall file a  
28 return with the Department each month by the 20th day of the  
29 month next following the month during which such tax  
30 liability is incurred and shall make payments to the  
31 Department on or before the 7th, 15th, 22nd and last day of  
32 the month during which such liability is incurred. On and  
33 after October 1, 2000, if the taxpayer's average monthly tax  
34 liability to the Department under this Act, the Retailers'

1 Occupation Tax Act, the Service Occupation Tax Act, and the  
2 Service Use Tax Act was \$20,000 or more during the preceding  
3 4 complete calendar quarters, he shall file a return with the  
4 Department each month by the 20th day of the month next  
5 following the month during which such tax liability is  
6 incurred and shall make payment to the Department on or  
7 before the 7th, 15th, 22nd and last day of the month during  
8 which such liability is incurred. If the month during which  
9 such tax liability is incurred began prior to January 1,  
10 1985, each payment shall be in an amount equal to 1/4 of the  
11 taxpayer's actual liability for the month or an amount set by  
12 the Department not to exceed 1/4 of the average monthly  
13 liability of the taxpayer to the Department for the preceding  
14 4 complete calendar quarters (excluding the month of highest  
15 liability and the month of lowest liability in such 4 quarter  
16 period). If the month during which such tax liability is  
17 incurred begins on or after January 1, 1985, and prior to  
18 January 1, 1987, each payment shall be in an amount equal to  
19 22.5% of the taxpayer's actual liability for the month or  
20 27.5% of the taxpayer's liability for the same calendar month  
21 of the preceding year. If the month during which such tax  
22 liability is incurred begins on or after January 1, 1987, and  
23 prior to January 1, 1988, each payment shall be in an amount  
24 equal to 22.5% of the taxpayer's actual liability for the  
25 month or 26.25% of the taxpayer's liability for the same  
26 calendar month of the preceding year. If the month during  
27 which such tax liability is incurred begins on or after  
28 January 1, 1988, and prior to January 1, 1989, or begins on  
29 or after January 1, 1996, each payment shall be in an amount  
30 equal to 22.5% of the taxpayer's actual liability for the  
31 month or 25% of the taxpayer's liability for the same  
32 calendar month of the preceding year. If the month during  
33 which such tax liability is incurred begins on or after  
34 January 1, 1989, and prior to January 1, 1996, each payment

1 shall be in an amount equal to 22.5% of the taxpayer's actual  
2 liability for the month or 25% of the taxpayer's liability  
3 for the same calendar month of the preceding year or 100% of  
4 the taxpayer's actual liability for the quarter monthly  
5 reporting period. The amount of such quarter monthly  
6 payments shall be credited against the final tax liability of  
7 the taxpayer's return for that month. Before October 1,  
8 2000, once applicable, the requirement of the making of  
9 quarter monthly payments to the Department shall continue  
10 until such taxpayer's average monthly liability to the  
11 Department during the preceding 4 complete calendar quarters  
12 (excluding the month of highest liability and the month of  
13 lowest liability) is less than \$9,000, or until such  
14 taxpayer's average monthly liability to the Department as  
15 computed for each calendar quarter of the 4 preceding  
16 complete calendar quarter period is less than \$10,000.  
17 However, if a taxpayer can show the Department that a  
18 substantial change in the taxpayer's business has occurred  
19 which causes the taxpayer to anticipate that his average  
20 monthly tax liability for the reasonably foreseeable future  
21 will fall below the \$10,000 threshold stated above, then such  
22 taxpayer may petition the Department for change in such  
23 taxpayer's reporting status. On and after October 1, 2000,  
24 once applicable, the requirement of the making of quarter  
25 monthly payments to the Department shall continue until such  
26 taxpayer's average monthly liability to the Department during  
27 the preceding 4 complete calendar quarters (excluding the  
28 month of highest liability and the month of lowest liability)  
29 is less than \$19,000 or until such taxpayer's average monthly  
30 liability to the Department as computed for each calendar  
31 quarter of the 4 preceding complete calendar quarter period  
32 is less than \$20,000. However, if a taxpayer can show the  
33 Department that a substantial change in the taxpayer's  
34 business has occurred which causes the taxpayer to anticipate

1 that his average monthly tax liability for the reasonably  
2 foreseeable future will fall below the \$20,000 threshold  
3 stated above, then such taxpayer may petition the Department  
4 for a change in such taxpayer's reporting status. The  
5 Department shall change such taxpayer's reporting status  
6 unless it finds that such change is seasonal in nature and  
7 not likely to be long term. If any such quarter monthly  
8 payment is not paid at the time or in the amount required by  
9 this Section, then the taxpayer shall be liable for penalties  
10 and interest on the difference between the minimum amount due  
11 and the amount of such quarter monthly payment actually and  
12 timely paid, except insofar as the taxpayer has previously  
13 made payments for that month to the Department in excess of  
14 the minimum payments previously due as provided in this  
15 Section. The Department shall make reasonable rules and  
16 regulations to govern the quarter monthly payment amount and  
17 quarter monthly payment dates for taxpayers who file on other  
18 than a calendar monthly basis.

19 If any such payment provided for in this Section exceeds  
20 the taxpayer's liabilities under this Act, the Retailers'  
21 Occupation Tax Act, the Service Occupation Tax Act and the  
22 Service Use Tax Act, as shown by an original monthly return,  
23 the Department shall issue to the taxpayer a credit  
24 memorandum no later than 30 days after the date of payment,  
25 which memorandum may be submitted by the taxpayer to the  
26 Department in payment of tax liability subsequently to be  
27 remitted by the taxpayer to the Department or be assigned by  
28 the taxpayer to a similar taxpayer under this Act, the  
29 Retailers' Occupation Tax Act, the Service Occupation Tax Act  
30 or the Service Use Tax Act, in accordance with reasonable  
31 rules and regulations to be prescribed by the Department,  
32 except that if such excess payment is shown on an original  
33 monthly return and is made after December 31, 1986, no credit  
34 memorandum shall be issued, unless requested by the taxpayer.

1 If no such request is made, the taxpayer may credit such  
2 excess payment against tax liability subsequently to be  
3 remitted by the taxpayer to the Department under this Act,  
4 the Retailers' Occupation Tax Act, the Service Occupation Tax  
5 Act or the Service Use Tax Act, in accordance with reasonable  
6 rules and regulations prescribed by the Department. If the  
7 Department subsequently determines that all or any part of  
8 the credit taken was not actually due to the taxpayer, the  
9 taxpayer's 2.1% or 1.75% vendor's discount shall be reduced  
10 by 2.1% or 1.75% of the difference between the credit taken  
11 and that actually due, and the taxpayer shall be liable for  
12 penalties and interest on such difference.

13 If the retailer is otherwise required to file a monthly  
14 return and if the retailer's average monthly tax liability to  
15 the Department does not exceed \$200, the Department may  
16 authorize his returns to be filed on a quarter annual basis,  
17 with the return for January, February, and March of a given  
18 year being due by April 20 of such year; with the return for  
19 April, May and June of a given year being due by July 20 of  
20 such year; with the return for July, August and September of  
21 a given year being due by October 20 of such year, and with  
22 the return for October, November and December of a given year  
23 being due by January 20 of the following year.

24 If the retailer is otherwise required to file a monthly  
25 or quarterly return and if the retailer's average monthly tax  
26 liability to the Department does not exceed \$50, the  
27 Department may authorize his returns to be filed on an annual  
28 basis, with the return for a given year being due by January  
29 20 of the following year.

30 Such quarter annual and annual returns, as to form and  
31 substance, shall be subject to the same requirements as  
32 monthly returns.

33 Notwithstanding any other provision in this Act  
34 concerning the time within which a retailer may file his

1 return, in the case of any retailer who ceases to engage in a  
2 kind of business which makes him responsible for filing  
3 returns under this Act, such retailer shall file a final  
4 return under this Act with the Department not more than one  
5 month after discontinuing such business.

6 In addition, with respect to motor vehicles, watercraft,  
7 aircraft, and trailers that are required to be registered  
8 with an agency of this State, every retailer selling this  
9 kind of tangible personal property shall file, with the  
10 Department, upon a form to be prescribed and supplied by the  
11 Department, a separate return for each such item of tangible  
12 personal property which the retailer sells, except that if,  
13 in the same transaction, (i) a retailer of aircraft,  
14 watercraft, motor vehicles or trailers transfers more than  
15 one aircraft, watercraft, motor vehicle or trailer to another  
16 aircraft, watercraft, motor vehicle or trailer retailer for  
17 the purpose of resale or (ii) a retailer of aircraft,  
18 watercraft, motor vehicles, or trailers transfers more than  
19 one aircraft, watercraft, motor vehicle, or trailer to a  
20 purchaser for use as a qualifying rolling stock as provided  
21 in Section 3-55 of this Act, then that seller may report the  
22 transfer of all the aircraft, watercraft, motor vehicles or  
23 trailers involved in that transaction to the Department on  
24 the same uniform invoice-transaction reporting return form.  
25 For purposes of this Section, "watercraft" means a Class 2,  
26 Class 3, or Class 4 watercraft as defined in Section 3-2 of  
27 the Boat Registration and Safety Act, a personal watercraft,  
28 or any boat equipped with an inboard motor.

29 The transaction reporting return in the case of motor  
30 vehicles or trailers that are required to be registered with  
31 an agency of this State, shall be the same document as the  
32 Uniform Invoice referred to in Section 5-402 of the Illinois  
33 Vehicle Code and must show the name and address of the  
34 seller; the name and address of the purchaser; the amount of

1 the selling price including the amount allowed by the  
2 retailer for traded-in property, if any; the amount allowed  
3 by the retailer for the traded-in tangible personal property,  
4 if any, to the extent to which Section 2 of this Act allows  
5 an exemption for the value of traded-in property; the balance  
6 payable after deducting such trade-in allowance from the  
7 total selling price; the amount of tax due from the retailer  
8 with respect to such transaction; the amount of tax collected  
9 from the purchaser by the retailer on such transaction (or  
10 satisfactory evidence that such tax is not due in that  
11 particular instance, if that is claimed to be the fact); the  
12 place and date of the sale; a sufficient identification of  
13 the property sold; such other information as is required in  
14 Section 5-402 of the Illinois Vehicle Code, and such other  
15 information as the Department may reasonably require.

16 The transaction reporting return in the case of  
17 watercraft and aircraft must show the name and address of the  
18 seller; the name and address of the purchaser; the amount of  
19 the selling price including the amount allowed by the  
20 retailer for traded-in property, if any; the amount allowed  
21 by the retailer for the traded-in tangible personal property,  
22 if any, to the extent to which Section 2 of this Act allows  
23 an exemption for the value of traded-in property; the balance  
24 payable after deducting such trade-in allowance from the  
25 total selling price; the amount of tax due from the retailer  
26 with respect to such transaction; the amount of tax collected  
27 from the purchaser by the retailer on such transaction (or  
28 satisfactory evidence that such tax is not due in that  
29 particular instance, if that is claimed to be the fact); the  
30 place and date of the sale, a sufficient identification of  
31 the property sold, and such other information as the  
32 Department may reasonably require.

33 Such transaction reporting return shall be filed not  
34 later than 20 days after the date of delivery of the item

1 that is being sold, but may be filed by the retailer at any  
2 time sooner than that if he chooses to do so. The  
3 transaction reporting return and tax remittance or proof of  
4 exemption from the tax that is imposed by this Act may be  
5 transmitted to the Department by way of the State agency with  
6 which, or State officer with whom, the tangible personal  
7 property must be titled or registered (if titling or  
8 registration is required) if the Department and such agency  
9 or State officer determine that this procedure will expedite  
10 the processing of applications for title or registration.

11 With each such transaction reporting return, the retailer  
12 shall remit the proper amount of tax due (or shall submit  
13 satisfactory evidence that the sale is not taxable if that is  
14 the case), to the Department or its agents, whereupon the  
15 Department shall issue, in the purchaser's name, a tax  
16 receipt (or a certificate of exemption if the Department is  
17 satisfied that the particular sale is tax exempt) which such  
18 purchaser may submit to the agency with which, or State  
19 officer with whom, he must title or register the tangible  
20 personal property that is involved (if titling or  
21 registration is required) in support of such purchaser's  
22 application for an Illinois certificate or other evidence of  
23 title or registration to such tangible personal property.

24 No retailer's failure or refusal to remit tax under this  
25 Act precludes a user, who has paid the proper tax to the  
26 retailer, from obtaining his certificate of title or other  
27 evidence of title or registration (if titling or registration  
28 is required) upon satisfying the Department that such user  
29 has paid the proper tax (if tax is due) to the retailer. The  
30 Department shall adopt appropriate rules to carry out the  
31 mandate of this paragraph.

32 If the user who would otherwise pay tax to the retailer  
33 wants the transaction reporting return filed and the payment  
34 of tax or proof of exemption made to the Department before

1 the retailer is willing to take these actions and such user  
2 has not paid the tax to the retailer, such user may certify  
3 to the fact of such delay by the retailer, and may (upon the  
4 Department being satisfied of the truth of such  
5 certification) transmit the information required by the  
6 transaction reporting return and the remittance for tax or  
7 proof of exemption directly to the Department and obtain his  
8 tax receipt or exemption determination, in which event the  
9 transaction reporting return and tax remittance (if a tax  
10 payment was required) shall be credited by the Department to  
11 the proper retailer's account with the Department, but  
12 without the 2.1% or 1.75% discount provided for in this  
13 Section being allowed. When the user pays the tax directly  
14 to the Department, he shall pay the tax in the same amount  
15 and in the same form in which it would be remitted if the tax  
16 had been remitted to the Department by the retailer.

17 Where a retailer collects the tax with respect to the  
18 selling price of tangible personal property which he sells  
19 and the purchaser thereafter returns such tangible personal  
20 property and the retailer refunds the selling price thereof  
21 to the purchaser, such retailer shall also refund, to the  
22 purchaser, the tax so collected from the purchaser. When  
23 filing his return for the period in which he refunds such tax  
24 to the purchaser, the retailer may deduct the amount of the  
25 tax so refunded by him to the purchaser from any other use  
26 tax which such retailer may be required to pay or remit to  
27 the Department, as shown by such return, if the amount of the  
28 tax to be deducted was previously remitted to the Department  
29 by such retailer. If the retailer has not previously  
30 remitted the amount of such tax to the Department, he is  
31 entitled to no deduction under this Act upon refunding such  
32 tax to the purchaser.

33 Any retailer filing a return under this Section shall  
34 also include (for the purpose of paying tax thereon) the

1 total tax covered by such return upon the selling price of  
2 tangible personal property purchased by him at retail from a  
3 retailer, but as to which the tax imposed by this Act was not  
4 collected from the retailer filing such return, and such  
5 retailer shall remit the amount of such tax to the Department  
6 when filing such return.

7 If experience indicates such action to be practicable,  
8 the Department may prescribe and furnish a combination or  
9 joint return which will enable retailers, who are required to  
10 file returns hereunder and also under the Retailers'  
11 Occupation Tax Act, to furnish all the return information  
12 required by both Acts on the one form.

13 Where the retailer has more than one business registered  
14 with the Department under separate registration under this  
15 Act, such retailer may not file each return that is due as a  
16 single return covering all such registered businesses, but  
17 shall file separate returns for each such registered  
18 business.

19 Beginning January 1, 1990, each month the Department  
20 shall pay into the State and Local Sales Tax Reform Fund, a  
21 special fund in the State Treasury which is hereby created,  
22 the net revenue realized for the preceding month from the 1%  
23 tax on sales of food for human consumption which is to be  
24 consumed off the premises where it is sold (other than  
25 alcoholic beverages, soft drinks and food which has been  
26 prepared for immediate consumption) and prescription and  
27 nonprescription medicines, drugs, medical appliances and  
28 insulin, urine testing materials, syringes and needles used  
29 by diabetics.

30 Beginning January 1, 1990, each month the Department  
31 shall pay into the County and Mass Transit District Fund 4%  
32 of the net revenue realized for the preceding month from the  
33 6.25% general rate on the selling price of tangible personal  
34 property which is purchased outside Illinois at retail from a

1 retailer and which is titled or registered by an agency of  
2 this State's government.

3 Beginning January 1, 1990, each month the Department  
4 shall pay into the State and Local Sales Tax Reform Fund, a  
5 special fund in the State Treasury, 20% of the net revenue  
6 realized for the preceding month from the 6.25% general rate  
7 on the selling price of tangible personal property, other  
8 than tangible personal property which is purchased outside  
9 Illinois at retail from a retailer and which is titled or  
10 registered by an agency of this State's government.

11 Beginning August 1, 2000, each month the Department shall  
12 pay into the State and Local Sales Tax Reform Fund 100% of  
13 the net revenue realized for the preceding month from the  
14 1.25% rate on the selling price of motor fuel and gasohol.

15 Beginning August 1, 2001, each month the Department shall  
16 pay into the State and Local Sales Tax Reform Fund 100% of  
17 the net revenue realized for the preceding month from the  
18 1.25% rate on the selling price of motor fuel used in  
19 implements of husbandry.

20 Beginning January 1, 1990, each month the Department  
21 shall pay into the Local Government Tax Fund 16% of the net  
22 revenue realized for the preceding month from the 6.25%  
23 general rate on the selling price of tangible personal  
24 property which is purchased outside Illinois at retail from a  
25 retailer and which is titled or registered by an agency of  
26 this State's government.

27 Of the remainder of the moneys received by the Department  
28 pursuant to this Act, (a) 1.75% thereof shall be paid into  
29 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%  
30 and on and after July 1, 1989, 3.8% thereof shall be paid  
31 into the Build Illinois Fund; provided, however, that if in  
32 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,  
33 as the case may be, of the moneys received by the Department  
34 and required to be paid into the Build Illinois Fund pursuant

1 to Section 3 of the Retailers' Occupation Tax Act, Section 9  
2 of the Use Tax Act, Section 9 of the Service Use Tax Act, and  
3 Section 9 of the Service Occupation Tax Act, such Acts being  
4 hereinafter called the "Tax Acts" and such aggregate of 2.2%  
5 or 3.8%, as the case may be, of moneys being hereinafter  
6 called the "Tax Act Amount", and (2) the amount transferred  
7 to the Build Illinois Fund from the State and Local Sales Tax  
8 Reform Fund shall be less than the Annual Specified Amount  
9 (as defined in Section 3 of the Retailers' Occupation Tax  
10 Act), an amount equal to the difference shall be immediately  
11 paid into the Build Illinois Fund from other moneys received  
12 by the Department pursuant to the Tax Acts; and further  
13 provided, that if on the last business day of any month the  
14 sum of (1) the Tax Act Amount required to be deposited into  
15 the Build Illinois Bond Account in the Build Illinois Fund  
16 during such month and (2) the amount transferred during such  
17 month to the Build Illinois Fund from the State and Local  
18 Sales Tax Reform Fund shall have been less than 1/12 of the  
19 Annual Specified Amount, an amount equal to the difference  
20 shall be immediately paid into the Build Illinois Fund from  
21 other moneys received by the Department pursuant to the Tax  
22 Acts; and, further provided, that in no event shall the  
23 payments required under the preceding proviso result in  
24 aggregate payments into the Build Illinois Fund pursuant to  
25 this clause (b) for any fiscal year in excess of the greater  
26 of (i) the Tax Act Amount or (ii) the Annual Specified Amount  
27 for such fiscal year; and, further provided, that the amounts  
28 payable into the Build Illinois Fund under this clause (b)  
29 shall be payable only until such time as the aggregate amount  
30 on deposit under each trust indenture securing Bonds issued  
31 and outstanding pursuant to the Build Illinois Bond Act is  
32 sufficient, taking into account any future investment income,  
33 to fully provide, in accordance with such indenture, for the  
34 defeasance of or the payment of the principal of, premium, if

1 any, and interest on the Bonds secured by such indenture and  
2 on any Bonds expected to be issued thereafter and all fees  
3 and costs payable with respect thereto, all as certified by  
4 the Director of the Bureau of the Budget. If on the last  
5 business day of any month in which Bonds are outstanding  
6 pursuant to the Build Illinois Bond Act, the aggregate of the  
7 moneys deposited in the Build Illinois Bond Account in the  
8 Build Illinois Fund in such month shall be less than the  
9 amount required to be transferred in such month from the  
10 Build Illinois Bond Account to the Build Illinois Bond  
11 Retirement and Interest Fund pursuant to Section 13 of the  
12 Build Illinois Bond Act, an amount equal to such deficiency  
13 shall be immediately paid from other moneys received by the  
14 Department pursuant to the Tax Acts to the Build Illinois  
15 Fund; provided, however, that any amounts paid to the Build  
16 Illinois Fund in any fiscal year pursuant to this sentence  
17 shall be deemed to constitute payments pursuant to clause (b)  
18 of the preceding sentence and shall reduce the amount  
19 otherwise payable for such fiscal year pursuant to clause (b)  
20 of the preceding sentence. The moneys received by the  
21 Department pursuant to this Act and required to be deposited  
22 into the Build Illinois Fund are subject to the pledge, claim  
23 and charge set forth in Section 12 of the Build Illinois Bond  
24 Act.

25 Subject to payment of amounts into the Build Illinois  
26 Fund as provided in the preceding paragraph or in any  
27 amendment thereto hereafter enacted, the following specified  
28 monthly installment of the amount requested in the  
29 certificate of the Chairman of the Metropolitan Pier and  
30 Exposition Authority provided under Section 8.25f of the  
31 State Finance Act, but not in excess of the sums designated  
32 as "Total Deposit", shall be deposited in the aggregate from  
33 collections under Section 9 of the Use Tax Act, Section 9 of  
34 the Service Use Tax Act, Section 9 of the Service Occupation

1 Tax Act, and Section 3 of the Retailers' Occupation Tax Act  
 2 into the McCormick Place Expansion Project Fund in the  
 3 specified fiscal years.

4	Fiscal Year	Total Deposit
5	1993	\$0
6	1994	53,000,000
7	1995	58,000,000
8	1996	61,000,000
9	1997	64,000,000
10	1998	68,000,000
11	1999	71,000,000
12	2000	75,000,000
13	2001	80,000,000
14	2002	84,000,000
15	2003	89,000,000
16	2004	93,000,000
17	2005	97,000,000
18	2006	102,000,000
19	2007	108,000,000
20	2008	115,000,000
21	2009	120,000,000
22	2010	126,000,000
23	2011	132,000,000
24	2012	138,000,000
25	2013 and	145,000,000

26 each fiscal year  
 27 thereafter that bonds  
 28 are outstanding under  
 29 Section 13.2 of the  
 30 Metropolitan Pier and  
 31 Exposition Authority  
 32 Act, but not after fiscal year 2029.

33 Beginning July 20, 1993 and in each month of each fiscal  
 34 year thereafter, one-eighth of the amount requested in the

1 certificate of the Chairman of the Metropolitan Pier and  
2 Exposition Authority for that fiscal year, less the amount  
3 deposited into the McCormick Place Expansion Project Fund by  
4 the State Treasurer in the respective month under subsection  
5 (g) of Section 13 of the Metropolitan Pier and Exposition  
6 Authority Act, plus cumulative deficiencies in the deposits  
7 required under this Section for previous months and years,  
8 shall be deposited into the McCormick Place Expansion Project  
9 Fund, until the full amount requested for the fiscal year,  
10 but not in excess of the amount specified above as "Total  
11 Deposit", has been deposited.

12 Subject to payment of amounts into the Build Illinois  
13 Fund and the McCormick Place Expansion Project Fund pursuant  
14 to the preceding paragraphs or in any amendment thereto  
15 hereafter enacted, each month the Department shall pay into  
16 the Local Government Distributive Fund .4% of the net revenue  
17 realized for the preceding month from the 5% general rate, or  
18 .4% of 80% of the net revenue realized for the preceding  
19 month from the 6.25% general rate, as the case may be, on the  
20 selling price of tangible personal property which amount  
21 shall, subject to appropriation, be distributed as provided  
22 in Section 2 of the State Revenue Sharing Act. No payments or  
23 distributions pursuant to this paragraph shall be made if the  
24 tax imposed by this Act on photoprocessing products is  
25 declared unconstitutional, or if the proceeds from such tax  
26 are unavailable for distribution because of litigation.

27 Subject to payment of amounts into the Build Illinois  
28 Fund, the McCormick Place Expansion Project Fund, and the  
29 Local Government Distributive Fund pursuant to the preceding  
30 paragraphs or in any amendments thereto hereafter enacted,  
31 beginning July 1, 1993, the Department shall each month pay  
32 into the Illinois Tax Increment Fund 0.27% of 80% of the net  
33 revenue realized for the preceding month from the 6.25%  
34 general rate on the selling price of tangible personal

1 property.

2 Of the remainder of the moneys received by the Department  
3 pursuant to this Act, 75% thereof shall be paid into the  
4 State Treasury and 25% shall be reserved in a special account  
5 and used only for the transfer to the Common School Fund as  
6 part of the monthly transfer from the General Revenue Fund in  
7 accordance with Section 8a of the State Finance Act.

8 As soon as possible after the first day of each month,  
9 upon certification of the Department of Revenue, the  
10 Comptroller shall order transferred and the Treasurer shall  
11 transfer from the General Revenue Fund to the Motor Fuel Tax  
12 Fund an amount equal to 1.7% of 80% of the net revenue  
13 realized under this Act for the second preceding month.  
14 Beginning April 1, 2000, this transfer is no longer required  
15 and shall not be made.

16 Net revenue realized for a month shall be the revenue  
17 collected by the State pursuant to this Act, less the amount  
18 paid out during that month as refunds to taxpayers for  
19 overpayment of liability.

20 For greater simplicity of administration, manufacturers,  
21 importers and wholesalers whose products are sold at retail  
22 in Illinois by numerous retailers, and who wish to do so, may  
23 assume the responsibility for accounting and paying to the  
24 Department all tax accruing under this Act with respect to  
25 such sales, if the retailers who are affected do not make  
26 written objection to the Department to this arrangement.

27 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;  
28 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.  
29 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,  
30 eff. 1-1-01; revised 8-30-00.)

31 Section 15. The Service Use Tax Act is amended by  
32 changing Sections 3-10 and 9 as follows:

1 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

2 Sec. 3-10. Rate of tax. Unless otherwise provided in  
3 this Section, the tax imposed by this Act is at the rate of  
4 6.25% of the selling price of tangible personal property  
5 transferred as an incident to the sale of service, but, for  
6 the purpose of computing this tax, in no event shall the  
7 selling price be less than the cost price of the property to  
8 the serviceman.

9 Beginning on July 1, 2000 and through December 31, 2000,  
10 with respect to motor fuel, as defined in Section 1.1 of the  
11 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40  
12 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

13 Beginning on July 1, 2001 and through June 30, 2003, with  
14 respect to motor fuel, as defined in Section 1.1 of the Motor  
15 Fuel Tax Law, used in implements of husbandry, as defined in  
16 Section 1-130 of the Illinois Vehicle Code, the tax is  
17 imposed at the rate of 1.25%.

18 With respect to gasohol, as defined in the Use Tax Act,  
19 the tax imposed by this Act applies to 70% of the selling  
20 price of property transferred as an incident to the sale of  
21 service on or after January 1, 1990, and before July 1, 2003,  
22 and to 100% of the selling price thereafter.

23 At the election of any registered serviceman made for  
24 each fiscal year, sales of service in which the aggregate  
25 annual cost price of tangible personal property transferred  
26 as an incident to the sales of service is less than 35%, or  
27 75% in the case of servicemen transferring prescription drugs  
28 or servicemen engaged in graphic arts production, of the  
29 aggregate annual total gross receipts from all sales of  
30 service, the tax imposed by this Act shall be based on the  
31 serviceman's cost price of the tangible personal property  
32 transferred as an incident to the sale of those services.

33 The tax shall be imposed at the rate of 1% on food  
34 prepared for immediate consumption and transferred incident

1 to a sale of service subject to this Act or the Service  
2 Occupation Tax Act by an entity licensed under the Hospital  
3 Licensing Act, the Nursing Home Care Act, or the Child Care  
4 Act of 1969. The tax shall also be imposed at the rate of 1%  
5 on food for human consumption that is to be consumed off the  
6 premises where it is sold (other than alcoholic beverages,  
7 soft drinks, and food that has been prepared for immediate  
8 consumption and is not otherwise included in this paragraph)  
9 and prescription and nonprescription medicines, drugs,  
10 medical appliances, modifications to a motor vehicle for the  
11 purpose of rendering it usable by a disabled person, and  
12 insulin, urine testing materials, syringes, and needles used  
13 by diabetics, for human use. For the purposes of this  
14 Section, the term "soft drinks" means any complete, finished,  
15 ready-to-use, non-alcoholic drink, whether carbonated or not,  
16 including but not limited to soda water, cola, fruit juice,  
17 vegetable juice, carbonated water, and all other preparations  
18 commonly known as soft drinks of whatever kind or description  
19 that are contained in any closed or sealed bottle, can,  
20 carton, or container, regardless of size. "Soft drinks" does  
21 not include coffee, tea, non-carbonated water, infant  
22 formula, milk or milk products as defined in the Grade A  
23 Pasteurized Milk and Milk Products Act, or drinks containing  
24 50% or more natural fruit or vegetable juice.

25 Notwithstanding any other provisions of this Act, "food  
26 for human consumption that is to be consumed off the premises  
27 where it is sold" includes all food sold through a vending  
28 machine, except soft drinks and food products that are  
29 dispensed hot from a vending machine, regardless of the  
30 location of the vending machine.

31 If the property that is acquired from a serviceman is  
32 acquired outside Illinois and used outside Illinois before  
33 being brought to Illinois for use here and is taxable under  
34 this Act, the "selling price" on which the tax is computed

1 shall be reduced by an amount that represents a reasonable  
2 allowance for depreciation for the period of prior  
3 out-of-state use.

4 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
5 91-51, eff. 6-30-99; 91-541, eff. 8-13-99; 91-872, eff.  
6 7-1-00.)

7 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

8 Sec. 9. Each serviceman required or authorized to  
9 collect the tax herein imposed shall pay to the Department  
10 the amount of such tax (except as otherwise provided) at the  
11 time when he is required to file his return for the period  
12 during which such tax was collected, less a discount of 2.1%  
13 prior to January 1, 1990 and 1.75% on and after January 1,  
14 1990, or \$5 per calendar year, whichever is greater, which is  
15 allowed to reimburse the serviceman for expenses incurred in  
16 collecting the tax, keeping records, preparing and filing  
17 returns, remitting the tax and supplying data to the  
18 Department on request. A serviceman need not remit that part  
19 of any tax collected by him to the extent that he is required  
20 to pay and does pay the tax imposed by the Service Occupation  
21 Tax Act with respect to his sale of service involving the  
22 incidental transfer by him of the same property.

23 Except as provided hereinafter in this Section, on or  
24 before the twentieth day of each calendar month, such  
25 serviceman shall file a return for the preceding calendar  
26 month in accordance with reasonable Rules and Regulations to  
27 be promulgated by the Department. Such return shall be filed  
28 on a form prescribed by the Department and shall contain such  
29 information as the Department may reasonably require.

30 The Department may require returns to be filed on a  
31 quarterly basis. If so required, a return for each calendar  
32 quarter shall be filed on or before the twentieth day of the  
33 calendar month following the end of such calendar quarter.

1 The taxpayer shall also file a return with the Department for  
2 each of the first two months of each calendar quarter, on or  
3 before the twentieth day of the following calendar month,  
4 stating:

- 5 1. The name of the seller;
- 6 2. The address of the principal place of business  
7 from which he engages in business as a serviceman in this  
8 State;
- 9 3. The total amount of taxable receipts received by  
10 him during the preceding calendar month, including  
11 receipts from charge and time sales, but less all  
12 deductions allowed by law;
- 13 4. The amount of credit provided in Section 2d of  
14 this Act;
- 15 5. The amount of tax due;
- 16 5-5. The signature of the taxpayer; and
- 17 6. Such other reasonable information as the  
18 Department may require.

19 If a taxpayer fails to sign a return within 30 days after  
20 the proper notice and demand for signature by the Department,  
21 the return shall be considered valid and any amount shown to  
22 be due on the return shall be deemed assessed.

23 Beginning October 1, 1993, a taxpayer who has an average  
24 monthly tax liability of \$150,000 or more shall make all  
25 payments required by rules of the Department by electronic  
26 funds transfer. Beginning October 1, 1994, a taxpayer who  
27 has an average monthly tax liability of \$100,000 or more  
28 shall make all payments required by rules of the Department  
29 by electronic funds transfer. Beginning October 1, 1995, a  
30 taxpayer who has an average monthly tax liability of \$50,000  
31 or more shall make all payments required by rules of the  
32 Department by electronic funds transfer. Beginning October 1,  
33 2000, a taxpayer who has an annual tax liability of \$200,000  
34 or more shall make all payments required by rules of the

1 Department by electronic funds transfer. The term "annual  
2 tax liability" shall be the sum of the taxpayer's liabilities  
3 under this Act, and under all other State and local  
4 occupation and use tax laws administered by the Department,  
5 for the immediately preceding calendar year. The term  
6 "average monthly tax liability" means the sum of the  
7 taxpayer's liabilities under this Act, and under all other  
8 State and local occupation and use tax laws administered by  
9 the Department, for the immediately preceding calendar year  
10 divided by 12.

11 Before August 1 of each year beginning in 1993, the  
12 Department shall notify all taxpayers required to make  
13 payments by electronic funds transfer. All taxpayers required  
14 to make payments by electronic funds transfer shall make  
15 those payments for a minimum of one year beginning on October  
16 1.

17 Any taxpayer not required to make payments by electronic  
18 funds transfer may make payments by electronic funds transfer  
19 with the permission of the Department.

20 All taxpayers required to make payment by electronic  
21 funds transfer and any taxpayers authorized to voluntarily  
22 make payments by electronic funds transfer shall make those  
23 payments in the manner authorized by the Department.

24 The Department shall adopt such rules as are necessary to  
25 effectuate a program of electronic funds transfer and the  
26 requirements of this Section.

27 If the serviceman is otherwise required to file a monthly  
28 return and if the serviceman's average monthly tax liability  
29 to the Department does not exceed \$200, the Department may  
30 authorize his returns to be filed on a quarter annual basis,  
31 with the return for January, February and March of a given  
32 year being due by April 20 of such year; with the return for  
33 April, May and June of a given year being due by July 20 of  
34 such year; with the return for July, August and September of

1 a given year being due by October 20 of such year, and with  
2 the return for October, November and December of a given year  
3 being due by January 20 of the following year.

4 If the serviceman is otherwise required to file a monthly  
5 or quarterly return and if the serviceman's average monthly  
6 tax liability to the Department does not exceed \$50, the  
7 Department may authorize his returns to be filed on an annual  
8 basis, with the return for a given year being due by January  
9 20 of the following year.

10 Such quarter annual and annual returns, as to form and  
11 substance, shall be subject to the same requirements as  
12 monthly returns.

13 Notwithstanding any other provision in this Act  
14 concerning the time within which a serviceman may file his  
15 return, in the case of any serviceman who ceases to engage in  
16 a kind of business which makes him responsible for filing  
17 returns under this Act, such serviceman shall file a final  
18 return under this Act with the Department not more than 1  
19 month after discontinuing such business.

20 Where a serviceman collects the tax with respect to the  
21 selling price of property which he sells and the purchaser  
22 thereafter returns such property and the serviceman refunds  
23 the selling price thereof to the purchaser, such serviceman  
24 shall also refund, to the purchaser, the tax so collected  
25 from the purchaser. When filing his return for the period in  
26 which he refunds such tax to the purchaser, the serviceman  
27 may deduct the amount of the tax so refunded by him to the  
28 purchaser from any other Service Use Tax, Service Occupation  
29 Tax, retailers' occupation tax or use tax which such  
30 serviceman may be required to pay or remit to the Department,  
31 as shown by such return, provided that the amount of the tax  
32 to be deducted shall previously have been remitted to the  
33 Department by such serviceman. If the serviceman shall not  
34 previously have remitted the amount of such tax to the

1 Department, he shall be entitled to no deduction hereunder  
2 upon refunding such tax to the purchaser.

3 Any serviceman filing a return hereunder shall also  
4 include the total tax upon the selling price of tangible  
5 personal property purchased for use by him as an incident to  
6 a sale of service, and such serviceman shall remit the amount  
7 of such tax to the Department when filing such return.

8 If experience indicates such action to be practicable,  
9 the Department may prescribe and furnish a combination or  
10 joint return which will enable servicemen, who are required  
11 to file returns hereunder and also under the Service  
12 Occupation Tax Act, to furnish all the return information  
13 required by both Acts on the one form.

14 Where the serviceman has more than one business  
15 registered with the Department under separate registration  
16 hereunder, such serviceman shall not file each return that is  
17 due as a single return covering all such registered  
18 businesses, but shall file separate returns for each such  
19 registered business.

20 Beginning January 1, 1990, each month the Department  
21 shall pay into the State and Local Tax Reform Fund, a special  
22 fund in the State Treasury, the net revenue realized for the  
23 preceding month from the 1% tax on sales of food for human  
24 consumption which is to be consumed off the premises where it  
25 is sold (other than alcoholic beverages, soft drinks and food  
26 which has been prepared for immediate consumption) and  
27 prescription and nonprescription medicines, drugs, medical  
28 appliances and insulin, urine testing materials, syringes and  
29 needles used by diabetics.

30 Beginning January 1, 1990, each month the Department  
31 shall pay into the State and Local Sales Tax Reform Fund 20%  
32 of the net revenue realized for the preceding month from the  
33 6.25% general rate on transfers of tangible personal  
34 property, other than tangible personal property which is

1 purchased outside Illinois at retail from a retailer and  
2 which is titled or registered by an agency of this State's  
3 government.

4 Beginning August 1, 2000, each month the Department shall  
5 pay into the State and Local Sales Tax Reform Fund 100% of  
6 the net revenue realized for the preceding month from the  
7 1.25% rate on the selling price of motor fuel and gasohol.

8 Beginning August 1, 2001, each month the Department shall  
9 pay into the State and Local Sales Tax Reform Fund 100% of  
10 the net revenue realized for the preceding month from the  
11 1.25% rate on the selling price of motor fuel used in  
12 implements of husbandry.

13 Of the remainder of the moneys received by the Department  
14 pursuant to this Act, (a) 1.75% thereof shall be paid into  
15 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%  
16 and on and after July 1, 1989, 3.8% thereof shall be paid  
17 into the Build Illinois Fund; provided, however, that if in  
18 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,  
19 as the case may be, of the moneys received by the Department  
20 and required to be paid into the Build Illinois Fund pursuant  
21 to Section 3 of the Retailers' Occupation Tax Act, Section 9  
22 of the Use Tax Act, Section 9 of the Service Use Tax Act, and  
23 Section 9 of the Service Occupation Tax Act, such Acts being  
24 hereinafter called the "Tax Acts" and such aggregate of 2.2%  
25 or 3.8%, as the case may be, of moneys being hereinafter  
26 called the "Tax Act Amount", and (2) the amount transferred  
27 to the Build Illinois Fund from the State and Local Sales Tax  
28 Reform Fund shall be less than the Annual Specified Amount  
29 (as defined in Section 3 of the Retailers' Occupation Tax  
30 Act), an amount equal to the difference shall be immediately  
31 paid into the Build Illinois Fund from other moneys received  
32 by the Department pursuant to the Tax Acts; and further  
33 provided, that if on the last business day of any month the  
34 sum of (1) the Tax Act Amount required to be deposited into

1 the Build Illinois Bond Account in the Build Illinois Fund  
2 during such month and (2) the amount transferred during such  
3 month to the Build Illinois Fund from the State and Local  
4 Sales Tax Reform Fund shall have been less than 1/12 of the  
5 Annual Specified Amount, an amount equal to the difference  
6 shall be immediately paid into the Build Illinois Fund from  
7 other moneys received by the Department pursuant to the Tax  
8 Acts; and, further provided, that in no event shall the  
9 payments required under the preceding proviso result in  
10 aggregate payments into the Build Illinois Fund pursuant to  
11 this clause (b) for any fiscal year in excess of the greater  
12 of (i) the Tax Act Amount or (ii) the Annual Specified Amount  
13 for such fiscal year; and, further provided, that the amounts  
14 payable into the Build Illinois Fund under this clause (b)  
15 shall be payable only until such time as the aggregate amount  
16 on deposit under each trust indenture securing Bonds issued  
17 and outstanding pursuant to the Build Illinois Bond Act is  
18 sufficient, taking into account any future investment income,  
19 to fully provide, in accordance with such indenture, for the  
20 defeasance of or the payment of the principal of, premium, if  
21 any, and interest on the Bonds secured by such indenture and  
22 on any Bonds expected to be issued thereafter and all fees  
23 and costs payable with respect thereto, all as certified by  
24 the Director of the Bureau of the Budget. If on the last  
25 business day of any month in which Bonds are outstanding  
26 pursuant to the Build Illinois Bond Act, the aggregate of the  
27 moneys deposited in the Build Illinois Bond Account in the  
28 Build Illinois Fund in such month shall be less than the  
29 amount required to be transferred in such month from the  
30 Build Illinois Bond Account to the Build Illinois Bond  
31 Retirement and Interest Fund pursuant to Section 13 of the  
32 Build Illinois Bond Act, an amount equal to such deficiency  
33 shall be immediately paid from other moneys received by the  
34 Department pursuant to the Tax Acts to the Build Illinois

1 Fund; provided, however, that any amounts paid to the Build  
 2 Illinois Fund in any fiscal year pursuant to this sentence  
 3 shall be deemed to constitute payments pursuant to clause (b)  
 4 of the preceding sentence and shall reduce the amount  
 5 otherwise payable for such fiscal year pursuant to clause (b)  
 6 of the preceding sentence. The moneys received by the  
 7 Department pursuant to this Act and required to be deposited  
 8 into the Build Illinois Fund are subject to the pledge, claim  
 9 and charge set forth in Section 12 of the Build Illinois Bond  
 10 Act.

11 Subject to payment of amounts into the Build Illinois  
 12 Fund as provided in the preceding paragraph or in any  
 13 amendment thereto hereafter enacted, the following specified  
 14 monthly installment of the amount requested in the  
 15 certificate of the Chairman of the Metropolitan Pier and  
 16 Exposition Authority provided under Section 8.25f of the  
 17 State Finance Act, but not in excess of the sums designated  
 18 as "Total Deposit", shall be deposited in the aggregate from  
 19 collections under Section 9 of the Use Tax Act, Section 9 of  
 20 the Service Use Tax Act, Section 9 of the Service Occupation  
 21 Tax Act, and Section 3 of the Retailers' Occupation Tax Act  
 22 into the McCormick Place Expansion Project Fund in the  
 23 specified fiscal years.

24	Fiscal Year	Total Deposit
25	1993	\$0
26	1994	53,000,000
27	1995	58,000,000
28	1996	61,000,000
29	1997	64,000,000
30	1998	68,000,000
31	1999	71,000,000
32	2000	75,000,000
33	2001	80,000,000
34	2002	84,000,000

1	2003	89,000,000
2	2004	93,000,000
3	2005	97,000,000
4	2006	102,000,000
5	2007	108,000,000
6	2008	115,000,000
7	2009	120,000,000
8	2010	126,000,000
9	2011	132,000,000
10	2012	138,000,000
11	2013 and	145,000,000

12 each fiscal year  
13 thereafter that bonds  
14 are outstanding under  
15 Section 13.2 of the  
16 Metropolitan Pier and  
17 Exposition Authority Act,  
18 but not after fiscal year 2029.

19 Beginning July 20, 1993 and in each month of each fiscal  
20 year thereafter, one-eighth of the amount requested in the  
21 certificate of the Chairman of the Metropolitan Pier and  
22 Exposition Authority for that fiscal year, less the amount  
23 deposited into the McCormick Place Expansion Project Fund by  
24 the State Treasurer in the respective month under subsection  
25 (g) of Section 13 of the Metropolitan Pier and Exposition  
26 Authority Act, plus cumulative deficiencies in the deposits  
27 required under this Section for previous months and years,  
28 shall be deposited into the McCormick Place Expansion Project  
29 Fund, until the full amount requested for the fiscal year,  
30 but not in excess of the amount specified above as "Total  
31 Deposit", has been deposited.

32 Subject to payment of amounts into the Build Illinois  
33 Fund and the McCormick Place Expansion Project Fund pursuant  
34 to the preceding paragraphs or in any amendment thereto

1 hereafter enacted, each month the Department shall pay into  
2 the Local Government Distributive Fund 0.4% of the net  
3 revenue realized for the preceding month from the 5% general  
4 rate or 0.4% of 80% of the net revenue realized for the  
5 preceding month from the 6.25% general rate, as the case may  
6 be, on the selling price of tangible personal property which  
7 amount shall, subject to appropriation, be distributed as  
8 provided in Section 2 of the State Revenue Sharing Act. No  
9 payments or distributions pursuant to this paragraph shall be  
10 made if the tax imposed by this Act on photo processing  
11 products is declared unconstitutional, or if the proceeds  
12 from such tax are unavailable for distribution because of  
13 litigation.

14 Subject to payment of amounts into the Build Illinois  
15 Fund, the McCormick Place Expansion Project Fund, and the  
16 Local Government Distributive Fund pursuant to the preceding  
17 paragraphs or in any amendments thereto hereafter enacted,  
18 beginning July 1, 1993, the Department shall each month pay  
19 into the Illinois Tax Increment Fund 0.27% of 80% of the net  
20 revenue realized for the preceding month from the 6.25%  
21 general rate on the selling price of tangible personal  
22 property.

23 All remaining moneys received by the Department pursuant  
24 to this Act shall be paid into the General Revenue Fund of  
25 the State Treasury.

26 As soon as possible after the first day of each month,  
27 upon certification of the Department of Revenue, the  
28 Comptroller shall order transferred and the Treasurer shall  
29 transfer from the General Revenue Fund to the Motor Fuel Tax  
30 Fund an amount equal to 1.7% of 80% of the net revenue  
31 realized under this Act for the second preceding month.  
32 Beginning April 1, 2000, this transfer is no longer required  
33 and shall not be made.

34 Net revenue realized for a month shall be the revenue

1 collected by the State pursuant to this Act, less the amount  
2 paid out during that month as refunds to taxpayers for  
3 overpayment of liability.

4 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,  
5 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;  
6 91-872, eff. 7-1-00.)

7 Section 20. The Service Occupation Tax Act is amended by  
8 changing Sections 3-10 and 9 as follows:

9 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

10 Sec. 3-10. Rate of tax. Unless otherwise provided in  
11 this Section, the tax imposed by this Act is at the rate of  
12 6.25% of the "selling price", as defined in Section 2 of the  
13 Service Use Tax Act, of the tangible personal property. For  
14 the purpose of computing this tax, in no event shall the  
15 "selling price" be less than the cost price to the serviceman  
16 of the tangible personal property transferred. The selling  
17 price of each item of tangible personal property transferred  
18 as an incident of a sale of service may be shown as a  
19 distinct and separate item on the serviceman's billing to the  
20 service customer. If the selling price is not so shown, the  
21 selling price of the tangible personal property is deemed to  
22 be 50% of the serviceman's entire billing to the service  
23 customer. When, however, a serviceman contracts to design,  
24 develop, and produce special order machinery or equipment,  
25 the tax imposed by this Act shall be based on the  
26 serviceman's cost price of the tangible personal property  
27 transferred incident to the completion of the contract.

28 Beginning on July 1, 2000 and through December 31, 2000,  
29 with respect to motor fuel, as defined in Section 1.1 of the  
30 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40  
31 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

32 Beginning on July 1, 2001 and through June 30, 2003, with

1 respect to motor fuel, as defined in Section 1.1 of the Motor  
2 Fuel Tax Law, used in implements of husbandry, as defined in  
3 Section 1-130 of the Illinois Vehicle Code, the tax is  
4 imposed at the rate of 1.25%.

5 With respect to gasohol, as defined in the Use Tax Act,  
6 the tax imposed by this Act shall apply to 70% of the cost  
7 price of property transferred as an incident to the sale of  
8 service on or after January 1, 1990, and before July 1, 2003,  
9 and to 100% of the cost price thereafter.

10 At the election of any registered serviceman made for  
11 each fiscal year, sales of service in which the aggregate  
12 annual cost price of tangible personal property transferred  
13 as an incident to the sales of service is less than 35%, or  
14 75% in the case of servicemen transferring prescription drugs  
15 or servicemen engaged in graphic arts production, of the  
16 aggregate annual total gross receipts from all sales of  
17 service, the tax imposed by this Act shall be based on the  
18 serviceman's cost price of the tangible personal property  
19 transferred incident to the sale of those services.

20 The tax shall be imposed at the rate of 1% on food  
21 prepared for immediate consumption and transferred incident  
22 to a sale of service subject to this Act or the Service  
23 Occupation Tax Act by an entity licensed under the Hospital  
24 Licensing Act, the Nursing Home Care Act, or the Child Care  
25 Act of 1969. The tax shall also be imposed at the rate of 1%  
26 on food for human consumption that is to be consumed off the  
27 premises where it is sold (other than alcoholic beverages,  
28 soft drinks, and food that has been prepared for immediate  
29 consumption and is not otherwise included in this paragraph)  
30 and prescription and nonprescription medicines, drugs,  
31 medical appliances, modifications to a motor vehicle for the  
32 purpose of rendering it usable by a disabled person, and  
33 insulin, urine testing materials, syringes, and needles used  
34 by diabetics, for human use. For the purposes of this

1 Section, the term "soft drinks" means any complete, finished,  
2 ready-to-use, non-alcoholic drink, whether carbonated or not,  
3 including but not limited to soda water, cola, fruit juice,  
4 vegetable juice, carbonated water, and all other preparations  
5 commonly known as soft drinks of whatever kind or description  
6 that are contained in any closed or sealed can, carton, or  
7 container, regardless of size. "Soft drinks" does not  
8 include coffee, tea, non-carbonated water, infant formula,  
9 milk or milk products as defined in the Grade A Pasteurized  
10 Milk and Milk Products Act, or drinks containing 50% or more  
11 natural fruit or vegetable juice.

12 Notwithstanding any other provisions of this Act, "food  
13 for human consumption that is to be consumed off the premises  
14 where it is sold" includes all food sold through a vending  
15 machine, except soft drinks and food products that are  
16 dispensed hot from a vending machine, regardless of the  
17 location of the vending machine.

18 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
19 91-51, 6-30-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

20 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

21 Sec. 9. Each serviceman required or authorized to  
22 collect the tax herein imposed shall pay to the Department  
23 the amount of such tax at the time when he is required to  
24 file his return for the period during which such tax was  
25 collectible, less a discount of 2.1% prior to January 1,  
26 1990, and 1.75% on and after January 1, 1990, or \$5 per  
27 calendar year, whichever is greater, which is allowed to  
28 reimburse the serviceman for expenses incurred in collecting  
29 the tax, keeping records, preparing and filing returns,  
30 remitting the tax and supplying data to the Department on  
31 request.

32 Where such tangible personal property is sold under a  
33 conditional sales contract, or under any other form of sale

1 wherein the payment of the principal sum, or a part thereof,  
2 is extended beyond the close of the period for which the  
3 return is filed, the serviceman, in collecting the tax may  
4 collect, for each tax return period, only the tax applicable  
5 to the part of the selling price actually received during  
6 such tax return period.

7 Except as provided hereinafter in this Section, on or  
8 before the twentieth day of each calendar month, such  
9 serviceman shall file a return for the preceding calendar  
10 month in accordance with reasonable rules and regulations to  
11 be promulgated by the Department of Revenue. Such return  
12 shall be filed on a form prescribed by the Department and  
13 shall contain such information as the Department may  
14 reasonably require.

15 The Department may require returns to be filed on a  
16 quarterly basis. If so required, a return for each calendar  
17 quarter shall be filed on or before the twentieth day of the  
18 calendar month following the end of such calendar quarter.  
19 The taxpayer shall also file a return with the Department for  
20 each of the first two months of each calendar quarter, on or  
21 before the twentieth day of the following calendar month,  
22 stating:

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business  
25 from which he engages in business as a serviceman in this  
26 State;
- 27 3. The total amount of taxable receipts received by  
28 him during the preceding calendar month, including  
29 receipts from charge and time sales, but less all  
30 deductions allowed by law;
- 31 4. The amount of credit provided in Section 2d of  
32 this Act;
- 33 5. The amount of tax due;
- 34 5-5. The signature of the taxpayer; and

1           6. Such other reasonable information as the  
2           Department may require.

3           If a taxpayer fails to sign a return within 30 days after  
4           the proper notice and demand for signature by the Department,  
5           the return shall be considered valid and any amount shown to  
6           be due on the return shall be deemed assessed.

7           A serviceman may accept a Manufacturer's Purchase Credit  
8           certification from a purchaser in satisfaction of Service Use  
9           Tax as provided in Section 3-70 of the Service Use Tax Act if  
10          the purchaser provides the appropriate documentation as  
11          required by Section 3-70 of the Service Use Tax Act. A  
12          Manufacturer's Purchase Credit certification, accepted by a  
13          serviceman as provided in Section 3-70 of the Service Use Tax  
14          Act, may be used by that serviceman to satisfy Service  
15          Occupation Tax liability in the amount claimed in the  
16          certification, not to exceed 6.25% of the receipts subject to  
17          tax from a qualifying purchase.

18          If the serviceman's average monthly tax liability to the  
19          Department does not exceed \$200, the Department may authorize  
20          his returns to be filed on a quarter annual basis, with the  
21          return for January, February and March of a given year being  
22          due by April 20 of such year; with the return for April, May  
23          and June of a given year being due by July 20 of such year;  
24          with the return for July, August and September of a given  
25          year being due by October 20 of such year, and with the  
26          return for October, November and December of a given year  
27          being due by January 20 of the following year.

28          If the serviceman's average monthly tax liability to the  
29          Department does not exceed \$50, the Department may authorize  
30          his returns to be filed on an annual basis, with the return  
31          for a given year being due by January 20 of the following  
32          year.

33          Such quarter annual and annual returns, as to form and  
34          substance, shall be subject to the same requirements as

1 monthly returns.

2 Notwithstanding any other provision in this Act  
3 concerning the time within which a serviceman may file his  
4 return, in the case of any serviceman who ceases to engage in  
5 a kind of business which makes him responsible for filing  
6 returns under this Act, such serviceman shall file a final  
7 return under this Act with the Department not more than 1  
8 month after discontinuing such business.

9 Beginning October 1, 1993, a taxpayer who has an average  
10 monthly tax liability of \$150,000 or more shall make all  
11 payments required by rules of the Department by electronic  
12 funds transfer. Beginning October 1, 1994, a taxpayer who  
13 has an average monthly tax liability of \$100,000 or more  
14 shall make all payments required by rules of the Department  
15 by electronic funds transfer. Beginning October 1, 1995, a  
16 taxpayer who has an average monthly tax liability of \$50,000  
17 or more shall make all payments required by rules of the  
18 Department by electronic funds transfer. Beginning October  
19 1, 2000, a taxpayer who has an annual tax liability of  
20 \$200,000 or more shall make all payments required by rules of  
21 the Department by electronic funds transfer. The term  
22 "annual tax liability" shall be the sum of the taxpayer's  
23 liabilities under this Act, and under all other State and  
24 local occupation and use tax laws administered by the  
25 Department, for the immediately preceding calendar year. The  
26 term "average monthly tax liability" means the sum of the  
27 taxpayer's liabilities under this Act, and under all other  
28 State and local occupation and use tax laws administered by  
29 the Department, for the immediately preceding calendar year  
30 divided by 12.

31 Before August 1 of each year beginning in 1993, the  
32 Department shall notify all taxpayers required to make  
33 payments by electronic funds transfer. All taxpayers  
34 required to make payments by electronic funds transfer shall

1 make those payments for a minimum of one year beginning on  
2 October 1.

3 Any taxpayer not required to make payments by electronic  
4 funds transfer may make payments by electronic funds transfer  
5 with the permission of the Department.

6 All taxpayers required to make payment by electronic  
7 funds transfer and any taxpayers authorized to voluntarily  
8 make payments by electronic funds transfer shall make those  
9 payments in the manner authorized by the Department.

10 The Department shall adopt such rules as are necessary to  
11 effectuate a program of electronic funds transfer and the  
12 requirements of this Section.

13 Where a serviceman collects the tax with respect to the  
14 selling price of tangible personal property which he sells  
15 and the purchaser thereafter returns such tangible personal  
16 property and the serviceman refunds the selling price thereof  
17 to the purchaser, such serviceman shall also refund, to the  
18 purchaser, the tax so collected from the purchaser. When  
19 filing his return for the period in which he refunds such tax  
20 to the purchaser, the serviceman may deduct the amount of the  
21 tax so refunded by him to the purchaser from any other  
22 Service Occupation Tax, Service Use Tax, Retailers'  
23 Occupation Tax or Use Tax which such serviceman may be  
24 required to pay or remit to the Department, as shown by such  
25 return, provided that the amount of the tax to be deducted  
26 shall previously have been remitted to the Department by such  
27 serviceman. If the serviceman shall not previously have  
28 remitted the amount of such tax to the Department, he shall  
29 be entitled to no deduction hereunder upon refunding such tax  
30 to the purchaser.

31 If experience indicates such action to be practicable,  
32 the Department may prescribe and furnish a combination or  
33 joint return which will enable servicemen, who are required  
34 to file returns hereunder and also under the Retailers'

1 Occupation Tax Act, the Use Tax Act or the Service Use Tax  
2 Act, to furnish all the return information required by all  
3 said Acts on the one form.

4 Where the serviceman has more than one business  
5 registered with the Department under separate registrations  
6 hereunder, such serviceman shall file separate returns for  
7 each registered business.

8 Beginning January 1, 1990, each month the Department  
9 shall pay into the Local Government Tax Fund the revenue  
10 realized for the preceding month from the 1% tax on sales of  
11 food for human consumption which is to be consumed off the  
12 premises where it is sold (other than alcoholic beverages,  
13 soft drinks and food which has been prepared for immediate  
14 consumption) and prescription and nonprescription medicines,  
15 drugs, medical appliances and insulin, urine testing  
16 materials, syringes and needles used by diabetics.

17 Beginning January 1, 1990, each month the Department  
18 shall pay into the County and Mass Transit District Fund 4%  
19 of the revenue realized for the preceding month from the  
20 6.25% general rate.

21 Beginning August 1, 2000, each month the Department shall  
22 pay into the County and Mass Transit District Fund 20% of the  
23 net revenue realized for the preceding month from the 1.25%  
24 rate on the selling price of motor fuel and gasohol.

25 Beginning August 1, 2001, each month the Department shall  
26 pay into the County and Mass Transit District Fund 20% of the  
27 net revenue realized for the preceding month from the 1.25%  
28 rate on the selling price of motor fuel used in implements of  
29 husbandry.

30 Beginning January 1, 1990, each month the Department  
31 shall pay into the Local Government Tax Fund 16% of the  
32 revenue realized for the preceding month from the 6.25%  
33 general rate on transfers of tangible personal property.

34 Beginning August 1, 2000, each month the Department shall

1 pay into the Local Government Tax Fund 80% of the net revenue  
2 realized for the preceding month from the 1.25% rate on the  
3 selling price of motor fuel and gasohol.

4 Beginning August 1, 2001, each month the Department shall  
5 pay into the Local Government Tax Fund 80% of the net revenue  
6 realized for the preceding month from the 1.25% rate on the  
7 selling price of motor fuel used in implements of husbandry.

8 Of the remainder of the moneys received by the Department  
9 pursuant to this Act, (a) 1.75% thereof shall be paid into  
10 the Build Illinois Fund and (b) prior to July 1, 1989, 2.2%  
11 and on and after July 1, 1989, 3.8% thereof shall be paid  
12 into the Build Illinois Fund; provided, however, that if in  
13 any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%,  
14 as the case may be, of the moneys received by the Department  
15 and required to be paid into the Build Illinois Fund pursuant  
16 to Section 3 of the Retailers' Occupation Tax Act, Section 9  
17 of the Use Tax Act, Section 9 of the Service Use Tax Act, and  
18 Section 9 of the Service Occupation Tax Act, such Acts being  
19 hereinafter called the "Tax Acts" and such aggregate of 2.2%  
20 or 3.8%, as the case may be, of moneys being hereinafter  
21 called the "Tax Act Amount", and (2) the amount transferred  
22 to the Build Illinois Fund from the State and Local Sales Tax  
23 Reform Fund shall be less than the Annual Specified Amount  
24 (as defined in Section 3 of the Retailers' Occupation Tax  
25 Act), an amount equal to the difference shall be immediately  
26 paid into the Build Illinois Fund from other moneys received  
27 by the Department pursuant to the Tax Acts; and further  
28 provided, that if on the last business day of any month the  
29 sum of (1) the Tax Act Amount required to be deposited into  
30 the Build Illinois Account in the Build Illinois Fund during  
31 such month and (2) the amount transferred during such month  
32 to the Build Illinois Fund from the State and Local Sales Tax  
33 Reform Fund shall have been less than 1/12 of the Annual  
34 Specified Amount, an amount equal to the difference shall be

1 immediately paid into the Build Illinois Fund from other  
2 moneys received by the Department pursuant to the Tax Acts;  
3 and, further provided, that in no event shall the payments  
4 required under the preceding proviso result in aggregate  
5 payments into the Build Illinois Fund pursuant to this clause  
6 (b) for any fiscal year in excess of the greater of (i) the  
7 Tax Act Amount or (ii) the Annual Specified Amount for such  
8 fiscal year; and, further provided, that the amounts payable  
9 into the Build Illinois Fund under this clause (b) shall be  
10 payable only until such time as the aggregate amount on  
11 deposit under each trust indenture securing Bonds issued and  
12 outstanding pursuant to the Build Illinois Bond Act is  
13 sufficient, taking into account any future investment income,  
14 to fully provide, in accordance with such indenture, for the  
15 defeasance of or the payment of the principal of, premium, if  
16 any, and interest on the Bonds secured by such indenture and  
17 on any Bonds expected to be issued thereafter and all fees  
18 and costs payable with respect thereto, all as certified by  
19 the Director of the Bureau of the Budget. If on the last  
20 business day of any month in which Bonds are outstanding  
21 pursuant to the Build Illinois Bond Act, the aggregate of the  
22 moneys deposited in the Build Illinois Bond Account in the  
23 Build Illinois Fund in such month shall be less than the  
24 amount required to be transferred in such month from the  
25 Build Illinois Bond Account to the Build Illinois Bond  
26 Retirement and Interest Fund pursuant to Section 13 of the  
27 Build Illinois Bond Act, an amount equal to such deficiency  
28 shall be immediately paid from other moneys received by the  
29 Department pursuant to the Tax Acts to the Build Illinois  
30 Fund; provided, however, that any amounts paid to the Build  
31 Illinois Fund in any fiscal year pursuant to this sentence  
32 shall be deemed to constitute payments pursuant to clause (b)  
33 of the preceding sentence and shall reduce the amount  
34 otherwise payable for such fiscal year pursuant to clause (b)

1 of the preceding sentence. The moneys received by the  
 2 Department pursuant to this Act and required to be deposited  
 3 into the Build Illinois Fund are subject to the pledge, claim  
 4 and charge set forth in Section 12 of the Build Illinois Bond  
 5 Act.

6 Subject to payment of amounts into the Build Illinois  
 7 Fund as provided in the preceding paragraph or in any  
 8 amendment thereto hereafter enacted, the following specified  
 9 monthly installment of the amount requested in the  
 10 certificate of the Chairman of the Metropolitan Pier and  
 11 Exposition Authority provided under Section 8.25f of the  
 12 State Finance Act, but not in excess of the sums designated  
 13 as "Total Deposit", shall be deposited in the aggregate from  
 14 collections under Section 9 of the Use Tax Act, Section 9 of  
 15 the Service Use Tax Act, Section 9 of the Service Occupation  
 16 Tax Act, and Section 3 of the Retailers' Occupation Tax Act  
 17 into the McCormick Place Expansion Project Fund in the  
 18 specified fiscal years.

19	Fiscal Year	Total Deposit
20	1993	\$0
21	1994	53,000,000
22	1995	58,000,000
23	1996	61,000,000
24	1997	64,000,000
25	1998	68,000,000
26	1999	71,000,000
27	2000	75,000,000
28	2001	80,000,000
29	2002	84,000,000
30	2003	89,000,000
31	2004	93,000,000
32	2005	97,000,000
33	2006	102,000,000
34	2007	108,000,000

1	2008	115,000,000
2	2009	120,000,000
3	2010	126,000,000
4	2011	132,000,000
5	2012	138,000,000
6	2013 and	145,000,000

7           each fiscal year  
8           thereafter that bonds  
9           are outstanding under  
10          Section 13.2 of the  
11          Metropolitan Pier and  
12          Exposition Authority  
13          Act, but not after fiscal year 2029.

14          Beginning July 20, 1993 and in each month of each fiscal  
15          year thereafter, one-eighth of the amount requested in the  
16          certificate of the Chairman of the Metropolitan Pier and  
17          Exposition Authority for that fiscal year, less the amount  
18          deposited into the McCormick Place Expansion Project Fund by  
19          the State Treasurer in the respective month under subsection  
20          (g) of Section 13 of the Metropolitan Pier and Exposition  
21          Authority Act, plus cumulative deficiencies in the deposits  
22          required under this Section for previous months and years,  
23          shall be deposited into the McCormick Place Expansion Project  
24          Fund, until the full amount requested for the fiscal year,  
25          but not in excess of the amount specified above as "Total  
26          Deposit", has been deposited.

27          Subject to payment of amounts into the Build Illinois  
28          Fund and the McCormick Place Expansion Project Fund pursuant  
29          to the preceding paragraphs or in any amendment thereto  
30          hereafter enacted, each month the Department shall pay into  
31          the Local Government Distributive Fund 0.4% of the net  
32          revenue realized for the preceding month from the 5% general  
33          rate or 0.4% of 80% of the net revenue realized for the  
34          preceding month from the 6.25% general rate, as the case may

1 be, on the selling price of tangible personal property which  
2 amount shall, subject to appropriation, be distributed as  
3 provided in Section 2 of the State Revenue Sharing Act. No  
4 payments or distributions pursuant to this paragraph shall be  
5 made if the tax imposed by this Act on photoprocessing  
6 products is declared unconstitutional, or if the proceeds  
7 from such tax are unavailable for distribution because of  
8 litigation.

9 Subject to payment of amounts into the Build Illinois  
10 Fund, the McCormick Place Expansion Project Fund, and the  
11 Local Government Distributive Fund pursuant to the preceding  
12 paragraphs or in any amendments thereto hereafter enacted,  
13 beginning July 1, 1993, the Department shall each month pay  
14 into the Illinois Tax Increment Fund 0.27% of 80% of the net  
15 revenue realized for the preceding month from the 6.25%  
16 general rate on the selling price of tangible personal  
17 property.

18 Remaining moneys received by the Department pursuant to  
19 this Act shall be paid into the General Revenue Fund of the  
20 State Treasury.

21 The Department may, upon separate written notice to a  
22 taxpayer, require the taxpayer to prepare and file with the  
23 Department on a form prescribed by the Department within not  
24 less than 60 days after receipt of the notice an annual  
25 information return for the tax year specified in the notice.  
26 Such annual return to the Department shall include a  
27 statement of gross receipts as shown by the taxpayer's last  
28 Federal income tax return. If the total receipts of the  
29 business as reported in the Federal income tax return do not  
30 agree with the gross receipts reported to the Department of  
31 Revenue for the same period, the taxpayer shall attach to his  
32 annual return a schedule showing a reconciliation of the 2  
33 amounts and the reasons for the difference. The taxpayer's  
34 annual return to the Department shall also disclose the cost

1 of goods sold by the taxpayer during the year covered by such  
2 return, opening and closing inventories of such goods for  
3 such year, cost of goods used from stock or taken from stock  
4 and given away by the taxpayer during such year, pay roll  
5 information of the taxpayer's business during such year and  
6 any additional reasonable information which the Department  
7 deems would be helpful in determining the accuracy of the  
8 monthly, quarterly or annual returns filed by such taxpayer  
9 as hereinbefore provided for in this Section.

10 If the annual information return required by this Section  
11 is not filed when and as required, the taxpayer shall be  
12 liable as follows:

13 (i) Until January 1, 1994, the taxpayer shall be  
14 liable for a penalty equal to 1/6 of 1% of the tax due  
15 from such taxpayer under this Act during the period to be  
16 covered by the annual return for each month or fraction  
17 of a month until such return is filed as required, the  
18 penalty to be assessed and collected in the same manner  
19 as any other penalty provided for in this Act.

20 (ii) On and after January 1, 1994, the taxpayer  
21 shall be liable for a penalty as described in Section 3-4  
22 of the Uniform Penalty and Interest Act.

23 The chief executive officer, proprietor, owner or highest  
24 ranking manager shall sign the annual return to certify the  
25 accuracy of the information contained therein. Any person  
26 who willfully signs the annual return containing false or  
27 inaccurate information shall be guilty of perjury and  
28 punished accordingly. The annual return form prescribed by  
29 the Department shall include a warning that the person  
30 signing the return may be liable for perjury.

31 The foregoing portion of this Section concerning the  
32 filing of an annual information return shall not apply to a  
33 serviceman who is not required to file an income tax return  
34 with the United States Government.

1           As soon as possible after the first day of each month,  
2 upon certification of the Department of Revenue, the  
3 Comptroller shall order transferred and the Treasurer shall  
4 transfer from the General Revenue Fund to the Motor Fuel Tax  
5 Fund an amount equal to 1.7% of 80% of the net revenue  
6 realized under this Act for the second preceding month.  
7 Beginning April 1, 2000, this transfer is no longer required  
8 and shall not be made.

9           Net revenue realized for a month shall be the revenue  
10 collected by the State pursuant to this Act, less the amount  
11 paid out during that month as refunds to taxpayers for  
12 overpayment of liability.

13           For greater simplicity of administration, it shall be  
14 permissible for manufacturers, importers and wholesalers  
15 whose products are sold by numerous servicemen in Illinois,  
16 and who wish to do so, to assume the responsibility for  
17 accounting and paying to the Department all tax accruing  
18 under this Act with respect to such sales, if the servicemen  
19 who are affected do not make written objection to the  
20 Department to this arrangement.

21 (Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51,  
22 eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99;  
23 91-872, eff. 7-1-00.)

24           Section 25. The Retailers' Occupation Tax Act is amended  
25 by changing Sections 2-10, 2d, and 3 as follows:

26           (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

27           Sec. 2-10. Rate of tax. Unless otherwise provided in  
28 this Section, the tax imposed by this Act is at the rate of  
29 6.25% of gross receipts from sales of tangible personal  
30 property made in the course of business.

31           Beginning on July 1, 2000 and through December 31, 2000,  
32 with respect to motor fuel, as defined in Section 1.1 of the

1 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40  
2 of the Use Tax Act, the tax is imposed at the rate of 1.25%.

3 Within 14 days after the effective date of this  
4 amendatory Act of the 91st General Assembly, each retailer of  
5 motor fuel and gasohol shall cause the following notice to be  
6 posted in a prominently visible place on each retail  
7 dispensing device that is used to dispense motor fuel or  
8 gasohol in the State of Illinois: "As of July 1, 2000, the  
9 State of Illinois has eliminated the State's share of sales  
10 tax on motor fuel and gasohol through December 31, 2000. The  
11 price on this pump should reflect the elimination of the  
12 tax." The notice shall be printed in bold print on a sign  
13 that is no smaller than 4 inches by 8 inches. The sign shall  
14 be clearly visible to customers. Any retailer who fails to  
15 post or maintain a required sign through December 31, 2000 is  
16 guilty of a petty offense for which the fine shall be \$500  
17 per day per each retail premises where a violation occurs.

18 Beginning on July 1, 2001, with respect to motor fuel, as  
19 defined in Section 1.1 of the Motor Fuel Tax Law, used in  
20 implements of husbandry, as defined in Section 1-130 of the  
21 Illinois Vehicle Code, the tax is imposed at the rate of  
22 1.25%.

23 With respect to gasohol, as defined in the Use Tax Act,  
24 the tax imposed by this Act applies to 70% of the proceeds of  
25 sales made on or after January 1, 1990, and before July 1,  
26 2003, and to 100% of the proceeds of sales made thereafter.

27 With respect to food for human consumption that is to be  
28 consumed off the premises where it is sold (other than  
29 alcoholic beverages, soft drinks, and food that has been  
30 prepared for immediate consumption) and prescription and  
31 nonprescription medicines, drugs, medical appliances,  
32 modifications to a motor vehicle for the purpose of rendering  
33 it usable by a disabled person, and insulin, urine testing  
34 materials, syringes, and needles used by diabetics, for human

1 use, the tax is imposed at the rate of 1%. For the purposes  
2 of this Section, the term "soft drinks" means any complete,  
3 finished, ready-to-use, non-alcoholic drink, whether  
4 carbonated or not, including but not limited to soda water,  
5 cola, fruit juice, vegetable juice, carbonated water, and all  
6 other preparations commonly known as soft drinks of whatever  
7 kind or description that are contained in any closed or  
8 sealed bottle, can, carton, or container, regardless of size.  
9 "Soft drinks" does not include coffee, tea, non-carbonated  
10 water, infant formula, milk or milk products as defined in  
11 the Grade A Pasteurized Milk and Milk Products Act, or drinks  
12 containing 50% or more natural fruit or vegetable juice.

13 Notwithstanding any other provisions of this Act, "food  
14 for human consumption that is to be consumed off the premises  
15 where it is sold" includes all food sold through a vending  
16 machine, except soft drinks and food products that are  
17 dispensed hot from a vending machine, regardless of the  
18 location of the vending machine.

19 (Source: P.A. 90-605, eff. 6-30-98; 90-606, eff. 6-30-98;  
20 91-51, eff. 6-30-99; 91-872, eff. 7-1-00.)

21 (35 ILCS 120/2d) (from Ch. 120, par. 441d)

22 Sec. 2d. Tax prepayment by motor fuel retailer. Any  
23 person engaged in the business of selling motor fuel at  
24 retail, as defined in the Motor Fuel Tax Law, and who is not  
25 a licensed distributor or supplier, as defined in the Motor  
26 Fuel Tax Law, shall prepay to his or her distributor,  
27 supplier, or other reseller of motor fuel a portion of the  
28 tax imposed by this Act if the distributor, supplier, or  
29 other reseller of motor fuel is registered under Section 2a  
30 or Section 2c of this Act. The prepayment requirement  
31 provided for in this Section does not apply to liquid propane  
32 gas.

33 Beginning on July 1, 2000 and through December 31, 2000,

1 the Retailers' Occupation Tax paid to the distributor,  
2 supplier, or other reseller shall be an amount equal to \$0.01  
3 per gallon of the motor fuel, except gasohol as defined in  
4 Section 2-10 of this Act which shall be an amount equal to  
5 \$0.01 per gallon, purchased from the distributor, supplier,  
6 or other reseller.

7 For all motor fuel before July 1, 2000 and then beginning  
8 on January 1, 2001 and through June 30, 2001, and then  
9 beginning again on July 1, 2003 and thereafter, and for all  
10 motor fuel except motor fuel used in implements of husbandry,  
11 as defined in Section 1-130 of the Illinois Vehicle Code,  
12 beginning on January 1, 2001 and through June 30, 2004, the  
13 Retailers' Occupation Tax paid to the distributor, supplier,  
14 or other reseller shall be an amount equal to \$0.04 per  
15 gallon of the motor fuel, except gasohol as defined in  
16 Section 2-10 of this Act which shall be an amount equal to  
17 \$0.03 per gallon, purchased from the distributor, supplier,  
18 or other reseller.

19 For motor fuel used in implements of husbandry, as  
20 defined in Section 1-130 of the Illinois Vehicle Code,  
21 beginning on July 1, 2001 and through June 30, 2003, the  
22 Retailers' Occupation Tax paid to the distributor, supplier,  
23 or other reseller shall be an amount equal to \$0.01 per  
24 gallon of the motor fuel, including gasohol, purchased from  
25 the distributor, supplier, or other reseller.

26 Any person engaged in the business of selling motor fuel  
27 at retail shall be entitled to a credit against tax due under  
28 this Act in an amount equal to the tax paid to the  
29 distributor, supplier, or other reseller.

30 Every distributor, supplier, or other reseller registered  
31 as provided in Section 2a or Section 2c of this Act shall  
32 remit the prepaid tax on all motor fuel that is due from any  
33 person engaged in the business of selling at retail motor  
34 fuel with the returns filed under Section 2f or Section 3 of

1 this Act, but the vendors discount provided in Section 3  
 2 shall not apply to the amount of prepaid tax that is  
 3 remitted. Any distributor or supplier who fails to properly  
 4 collect and remit the tax shall be liable for the tax. For  
 5 purposes of this Section, the prepaid tax is due on invoiced  
 6 gallons sold during a month by the 20th day of the following  
 7 month.

8 (Source: P.A. 91-872, eff. 7-1-00.)

9 (35 ILCS 120/3) (from Ch. 120, par. 442)

10 Sec. 3. Except as provided in this Section, on or before  
 11 the twentieth day of each calendar month, every person  
 12 engaged in the business of selling tangible personal property  
 13 at retail in this State during the preceding calendar month  
 14 shall file a return with the Department, stating:

- 15 1. The name of the seller;
- 16 2. His residence address and the address of his  
 17 principal place of business and the address of the  
 18 principal place of business (if that is a different  
 19 address) from which he engages in the business of selling  
 20 tangible personal property at retail in this State;
- 21 3. Total amount of receipts received by him during  
 22 the preceding calendar month or quarter, as the case may  
 23 be, from sales of tangible personal property, and from  
 24 services furnished, by him during such preceding calendar  
 25 month or quarter;
- 26 4. Total amount received by him during the  
 27 preceding calendar month or quarter on charge and time  
 28 sales of tangible personal property, and from services  
 29 furnished, by him prior to the month or quarter for which  
 30 the return is filed;
- 31 5. Deductions allowed by law;
- 32 6. Gross receipts which were received by him during  
 33 the preceding calendar month or quarter and upon the

1 basis of which the tax is imposed;

2 7. The amount of credit provided in Section 2d of  
3 this Act;

4 8. The amount of tax due;

5 9. The signature of the taxpayer; and

6 10. Such other reasonable information as the  
7 Department may require.

8 If a taxpayer fails to sign a return within 30 days after  
9 the proper notice and demand for signature by the Department,  
10 the return shall be considered valid and any amount shown to  
11 be due on the return shall be deemed assessed.

12 Each return shall be accompanied by the statement of  
13 prepaid tax issued pursuant to Section 2e for which credit is  
14 claimed.

15 A retailer may accept a Manufacturer's Purchase Credit  
16 certification from a purchaser in satisfaction of Use Tax as  
17 provided in Section 3-85 of the Use Tax Act if the purchaser  
18 provides the appropriate documentation as required by Section  
19 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit  
20 certification, accepted by a retailer as provided in Section  
21 3-85 of the Use Tax Act, may be used by that retailer to  
22 satisfy Retailers' Occupation Tax liability in the amount  
23 claimed in the certification, not to exceed 6.25% of the  
24 receipts subject to tax from a qualifying purchase.

25 The Department may require returns to be filed on a  
26 quarterly basis. If so required, a return for each calendar  
27 quarter shall be filed on or before the twentieth day of the  
28 calendar month following the end of such calendar quarter.  
29 The taxpayer shall also file a return with the Department for  
30 each of the first two months of each calendar quarter, on or  
31 before the twentieth day of the following calendar month,  
32 stating:

33 1. The name of the seller;

34 2. The address of the principal place of business

1 from which he engages in the business of selling tangible  
2 personal property at retail in this State;

3 3. The total amount of taxable receipts received by  
4 him during the preceding calendar month from sales of  
5 tangible personal property by him during such preceding  
6 calendar month, including receipts from charge and time  
7 sales, but less all deductions allowed by law;

8 4. The amount of credit provided in Section 2d of  
9 this Act;

10 5. The amount of tax due; and

11 6. Such other reasonable information as the  
12 Department may require.

13 If a total amount of less than \$1 is payable, refundable  
14 or creditable, such amount shall be disregarded if it is less  
15 than 50 cents and shall be increased to \$1 if it is 50 cents  
16 or more.

17 Beginning October 1, 1993, a taxpayer who has an average  
18 monthly tax liability of \$150,000 or more shall make all  
19 payments required by rules of the Department by electronic  
20 funds transfer. Beginning October 1, 1994, a taxpayer who  
21 has an average monthly tax liability of \$100,000 or more  
22 shall make all payments required by rules of the Department  
23 by electronic funds transfer. Beginning October 1, 1995, a  
24 taxpayer who has an average monthly tax liability of \$50,000  
25 or more shall make all payments required by rules of the  
26 Department by electronic funds transfer. Beginning October  
27 1, 2000, a taxpayer who has an annual tax liability of  
28 \$200,000 or more shall make all payments required by rules of  
29 the Department by electronic funds transfer. The term  
30 "annual tax liability" shall be the sum of the taxpayer's  
31 liabilities under this Act, and under all other State and  
32 local occupation and use tax laws administered by the  
33 Department, for the immediately preceding calendar year. The  
34 term "average monthly tax liability" shall be the sum of the

1 taxpayer's liabilities under this Act, and under all other  
2 State and local occupation and use tax laws administered by  
3 the Department, for the immediately preceding calendar year  
4 divided by 12.

5 Before August 1 of each year beginning in 1993, the  
6 Department shall notify all taxpayers required to make  
7 payments by electronic funds transfer. All taxpayers  
8 required to make payments by electronic funds transfer shall  
9 make those payments for a minimum of one year beginning on  
10 October 1.

11 Any taxpayer not required to make payments by electronic  
12 funds transfer may make payments by electronic funds transfer  
13 with the permission of the Department.

14 All taxpayers required to make payment by electronic  
15 funds transfer and any taxpayers authorized to voluntarily  
16 make payments by electronic funds transfer shall make those  
17 payments in the manner authorized by the Department.

18 The Department shall adopt such rules as are necessary to  
19 effectuate a program of electronic funds transfer and the  
20 requirements of this Section.

21 Any amount which is required to be shown or reported on  
22 any return or other document under this Act shall, if such  
23 amount is not a whole-dollar amount, be increased to the  
24 nearest whole-dollar amount in any case where the fractional  
25 part of a dollar is 50 cents or more, and decreased to the  
26 nearest whole-dollar amount where the fractional part of a  
27 dollar is less than 50 cents.

28 If the retailer is otherwise required to file a monthly  
29 return and if the retailer's average monthly tax liability to  
30 the Department does not exceed \$200, the Department may  
31 authorize his returns to be filed on a quarter annual basis,  
32 with the return for January, February and March of a given  
33 year being due by April 20 of such year; with the return for  
34 April, May and June of a given year being due by July 20 of

1 such year; with the return for July, August and September of  
2 a given year being due by October 20 of such year, and with  
3 the return for October, November and December of a given year  
4 being due by January 20 of the following year.

5 If the retailer is otherwise required to file a monthly  
6 or quarterly return and if the retailer's average monthly tax  
7 liability with the Department does not exceed \$50, the  
8 Department may authorize his returns to be filed on an annual  
9 basis, with the return for a given year being due by January  
10 20 of the following year.

11 Such quarter annual and annual returns, as to form and  
12 substance, shall be subject to the same requirements as  
13 monthly returns.

14 Notwithstanding any other provision in this Act  
15 concerning the time within which a retailer may file his  
16 return, in the case of any retailer who ceases to engage in a  
17 kind of business which makes him responsible for filing  
18 returns under this Act, such retailer shall file a final  
19 return under this Act with the Department not more than one  
20 month after discontinuing such business.

21 Where the same person has more than one business  
22 registered with the Department under separate registrations  
23 under this Act, such person may not file each return that is  
24 due as a single return covering all such registered  
25 businesses, but shall file separate returns for each such  
26 registered business.

27 In addition, with respect to motor vehicles, watercraft,  
28 aircraft, and trailers that are required to be registered  
29 with an agency of this State, every retailer selling this  
30 kind of tangible personal property shall file, with the  
31 Department, upon a form to be prescribed and supplied by the  
32 Department, a separate return for each such item of tangible  
33 personal property which the retailer sells, except that if,  
34 in the same transaction, (i) a retailer of aircraft,

1 watercraft, motor vehicles or trailers transfers more than  
2 one aircraft, watercraft, motor vehicle or trailer to another  
3 aircraft, watercraft, motor vehicle retailer or trailer  
4 retailer for the purpose of resale or (ii) a retailer of  
5 aircraft, watercraft, motor vehicles, or trailers transfers  
6 more than one aircraft, watercraft, motor vehicle, or trailer  
7 to a purchaser for use as a qualifying rolling stock as  
8 provided in Section 2-5 of this Act, then that seller may  
9 report the transfer of all aircraft, watercraft, motor  
10 vehicles or trailers involved in that transaction to the  
11 Department on the same uniform invoice-transaction reporting  
12 return form. For purposes of this Section, "watercraft"  
13 means a Class 2, Class 3, or Class 4 watercraft as defined in  
14 Section 3-2 of the Boat Registration and Safety Act, a  
15 personal watercraft, or any boat equipped with an inboard  
16 motor.

17 Any retailer who sells only motor vehicles, watercraft,  
18 aircraft, or trailers that are required to be registered with  
19 an agency of this State, so that all retailers' occupation  
20 tax liability is required to be reported, and is reported, on  
21 such transaction reporting returns and who is not otherwise  
22 required to file monthly or quarterly returns, need not file  
23 monthly or quarterly returns. However, those retailers shall  
24 be required to file returns on an annual basis.

25 The transaction reporting return, in the case of motor  
26 vehicles or trailers that are required to be registered with  
27 an agency of this State, shall be the same document as the  
28 Uniform Invoice referred to in Section 5-402 of The Illinois  
29 Vehicle Code and must show the name and address of the  
30 seller; the name and address of the purchaser; the amount of  
31 the selling price including the amount allowed by the  
32 retailer for traded-in property, if any; the amount allowed  
33 by the retailer for the traded-in tangible personal property,  
34 if any, to the extent to which Section 1 of this Act allows

1 an exemption for the value of traded-in property; the balance  
2 payable after deducting such trade-in allowance from the  
3 total selling price; the amount of tax due from the retailer  
4 with respect to such transaction; the amount of tax collected  
5 from the purchaser by the retailer on such transaction (or  
6 satisfactory evidence that such tax is not due in that  
7 particular instance, if that is claimed to be the fact); the  
8 place and date of the sale; a sufficient identification of  
9 the property sold; such other information as is required in  
10 Section 5-402 of The Illinois Vehicle Code, and such other  
11 information as the Department may reasonably require.

12 The transaction reporting return in the case of  
13 watercraft or aircraft must show the name and address of the  
14 seller; the name and address of the purchaser; the amount of  
15 the selling price including the amount allowed by the  
16 retailer for traded-in property, if any; the amount allowed  
17 by the retailer for the traded-in tangible personal property,  
18 if any, to the extent to which Section 1 of this Act allows  
19 an exemption for the value of traded-in property; the balance  
20 payable after deducting such trade-in allowance from the  
21 total selling price; the amount of tax due from the retailer  
22 with respect to such transaction; the amount of tax collected  
23 from the purchaser by the retailer on such transaction (or  
24 satisfactory evidence that such tax is not due in that  
25 particular instance, if that is claimed to be the fact); the  
26 place and date of the sale, a sufficient identification of  
27 the property sold, and such other information as the  
28 Department may reasonably require.

29 Such transaction reporting return shall be filed not  
30 later than 20 days after the day of delivery of the item that  
31 is being sold, but may be filed by the retailer at any time  
32 sooner than that if he chooses to do so. The transaction  
33 reporting return and tax remittance or proof of exemption  
34 from the Illinois use tax may be transmitted to the

1 Department by way of the State agency with which, or State  
2 officer with whom the tangible personal property must be  
3 titled or registered (if titling or registration is required)  
4 if the Department and such agency or State officer determine  
5 that this procedure will expedite the processing of  
6 applications for title or registration.

7 With each such transaction reporting return, the retailer  
8 shall remit the proper amount of tax due (or shall submit  
9 satisfactory evidence that the sale is not taxable if that is  
10 the case), to the Department or its agents, whereupon the  
11 Department shall issue, in the purchaser's name, a use tax  
12 receipt (or a certificate of exemption if the Department is  
13 satisfied that the particular sale is tax exempt) which such  
14 purchaser may submit to the agency with which, or State  
15 officer with whom, he must title or register the tangible  
16 personal property that is involved (if titling or  
17 registration is required) in support of such purchaser's  
18 application for an Illinois certificate or other evidence of  
19 title or registration to such tangible personal property.

20 No retailer's failure or refusal to remit tax under this  
21 Act precludes a user, who has paid the proper tax to the  
22 retailer, from obtaining his certificate of title or other  
23 evidence of title or registration (if titling or registration  
24 is required) upon satisfying the Department that such user  
25 has paid the proper tax (if tax is due) to the retailer. The  
26 Department shall adopt appropriate rules to carry out the  
27 mandate of this paragraph.

28 If the user who would otherwise pay tax to the retailer  
29 wants the transaction reporting return filed and the payment  
30 of the tax or proof of exemption made to the Department  
31 before the retailer is willing to take these actions and such  
32 user has not paid the tax to the retailer, such user may  
33 certify to the fact of such delay by the retailer and may  
34 (upon the Department being satisfied of the truth of such

1 certification) transmit the information required by the  
2 transaction reporting return and the remittance for tax or  
3 proof of exemption directly to the Department and obtain his  
4 tax receipt or exemption determination, in which event the  
5 transaction reporting return and tax remittance (if a tax  
6 payment was required) shall be credited by the Department to  
7 the proper retailer's account with the Department, but  
8 without the 2.1% or 1.75% discount provided for in this  
9 Section being allowed. When the user pays the tax directly  
10 to the Department, he shall pay the tax in the same amount  
11 and in the same form in which it would be remitted if the tax  
12 had been remitted to the Department by the retailer.

13 Refunds made by the seller during the preceding return  
14 period to purchasers, on account of tangible personal  
15 property returned to the seller, shall be allowed as a  
16 deduction under subdivision 5 of his monthly or quarterly  
17 return, as the case may be, in case the seller had  
18 theretofore included the receipts from the sale of such  
19 tangible personal property in a return filed by him and had  
20 paid the tax imposed by this Act with respect to such  
21 receipts.

22 Where the seller is a corporation, the return filed on  
23 behalf of such corporation shall be signed by the president,  
24 vice-president, secretary or treasurer or by the properly  
25 accredited agent of such corporation.

26 Where the seller is a limited liability company, the  
27 return filed on behalf of the limited liability company shall  
28 be signed by a manager, member, or properly accredited agent  
29 of the limited liability company.

30 Except as provided in this Section, the retailer filing  
31 the return under this Section shall, at the time of filing  
32 such return, pay to the Department the amount of tax imposed  
33 by this Act less a discount of 2.1% prior to January 1, 1990  
34 and 1.75% on and after January 1, 1990, or \$5 per calendar

1 year, whichever is greater, which is allowed to reimburse the  
2 retailer for the expenses incurred in keeping records,  
3 preparing and filing returns, remitting the tax and supplying  
4 data to the Department on request. Any prepayment made  
5 pursuant to Section 2d of this Act shall be included in the  
6 amount on which such 2.1% or 1.75% discount is computed. In  
7 the case of retailers who report and pay the tax on a  
8 transaction by transaction basis, as provided in this  
9 Section, such discount shall be taken with each such tax  
10 remittance instead of when such retailer files his periodic  
11 return.

12 Before October 1, 2000, if the taxpayer's average monthly  
13 tax liability to the Department under this Act, the Use Tax  
14 Act, the Service Occupation Tax Act, and the Service Use Tax  
15 Act, excluding any liability for prepaid sales tax to be  
16 remitted in accordance with Section 2d of this Act, was  
17 \$10,000 or more during the preceding 4 complete calendar  
18 quarters, he shall file a return with the Department each  
19 month by the 20th day of the month next following the month  
20 during which such tax liability is incurred and shall make  
21 payments to the Department on or before the 7th, 15th, 22nd  
22 and last day of the month during which such liability is  
23 incurred. On and after October 1, 2000, if the taxpayer's  
24 average monthly tax liability to the Department under this  
25 Act, the Use Tax Act, the Service Occupation Tax Act, and the  
26 Service Use Tax Act, excluding any liability for prepaid  
27 sales tax to be remitted in accordance with Section 2d of  
28 this Act, was \$20,000 or more during the preceding 4 complete  
29 calendar quarters, he shall file a return with the Department  
30 each month by the 20th day of the month next following the  
31 month during which such tax liability is incurred and shall  
32 make payment to the Department on or before the 7th, 15th,  
33 22nd and last day of the month during which such liability is  
34 incurred. If the month during which such tax liability is

1 incurred began prior to January 1, 1985, each payment shall  
2 be in an amount equal to 1/4 of the taxpayer's actual  
3 liability for the month or an amount set by the Department  
4 not to exceed 1/4 of the average monthly liability of the  
5 taxpayer to the Department for the preceding 4 complete  
6 calendar quarters (excluding the month of highest liability  
7 and the month of lowest liability in such 4 quarter period).  
8 If the month during which such tax liability is incurred  
9 begins on or after January 1, 1985 and prior to January 1,  
10 1987, each payment shall be in an amount equal to 22.5% of  
11 the taxpayer's actual liability for the month or 27.5% of the  
12 taxpayer's liability for the same calendar month of the  
13 preceding year. If the month during which such tax liability  
14 is incurred begins on or after January 1, 1987 and prior to  
15 January 1, 1988, each payment shall be in an amount equal to  
16 22.5% of the taxpayer's actual liability for the month or  
17 26.25% of the taxpayer's liability for the same calendar  
18 month of the preceding year. If the month during which such  
19 tax liability is incurred begins on or after January 1, 1988,  
20 and prior to January 1, 1989, or begins on or after January  
21 1, 1996, each payment shall be in an amount equal to 22.5% of  
22 the taxpayer's actual liability for the month or 25% of the  
23 taxpayer's liability for the same calendar month of the  
24 preceding year. If the month during which such tax liability  
25 is incurred begins on or after January 1, 1989, and prior to  
26 January 1, 1996, each payment shall be in an amount equal to  
27 22.5% of the taxpayer's actual liability for the month or 25%  
28 of the taxpayer's liability for the same calendar month of  
29 the preceding year or 100% of the taxpayer's actual liability  
30 for the quarter monthly reporting period. The amount of such  
31 quarter monthly payments shall be credited against the final  
32 tax liability of the taxpayer's return for that month.  
33 Before October 1, 2000, once applicable, the requirement of  
34 the making of quarter monthly payments to the Department by

1 taxpayers having an average monthly tax liability of \$10,000  
2 or more as determined in the manner provided above shall  
3 continue until such taxpayer's average monthly liability to  
4 the Department during the preceding 4 complete calendar  
5 quarters (excluding the month of highest liability and the  
6 month of lowest liability) is less than \$9,000, or until such  
7 taxpayer's average monthly liability to the Department as  
8 computed for each calendar quarter of the 4 preceding  
9 complete calendar quarter period is less than \$10,000.  
10 However, if a taxpayer can show the Department that a  
11 substantial change in the taxpayer's business has occurred  
12 which causes the taxpayer to anticipate that his average  
13 monthly tax liability for the reasonably foreseeable future  
14 will fall below the \$10,000 threshold stated above, then such  
15 taxpayer may petition the Department for a change in such  
16 taxpayer's reporting status. On and after October 1, 2000,  
17 once applicable, the requirement of the making of quarter  
18 monthly payments to the Department by taxpayers having an  
19 average monthly tax liability of \$20,000 or more as  
20 determined in the manner provided above shall continue until  
21 such taxpayer's average monthly liability to the Department  
22 during the preceding 4 complete calendar quarters (excluding  
23 the month of highest liability and the month of lowest  
24 liability) is less than \$19,000 or until such taxpayer's  
25 average monthly liability to the Department as computed for  
26 each calendar quarter of the 4 preceding complete calendar  
27 quarter period is less than \$20,000. However, if a taxpayer  
28 can show the Department that a substantial change in the  
29 taxpayer's business has occurred which causes the taxpayer to  
30 anticipate that his average monthly tax liability for the  
31 reasonably foreseeable future will fall below the \$20,000  
32 threshold stated above, then such taxpayer may petition the  
33 Department for a change in such taxpayer's reporting status.  
34 The Department shall change such taxpayer's reporting status

1 unless it finds that such change is seasonal in nature and  
2 not likely to be long term. If any such quarter monthly  
3 payment is not paid at the time or in the amount required by  
4 this Section, then the taxpayer shall be liable for penalties  
5 and interest on the difference between the minimum amount due  
6 as a payment and the amount of such quarter monthly payment  
7 actually and timely paid, except insofar as the taxpayer has  
8 previously made payments for that month to the Department in  
9 excess of the minimum payments previously due as provided in  
10 this Section. The Department shall make reasonable rules and  
11 regulations to govern the quarter monthly payment amount and  
12 quarter monthly payment dates for taxpayers who file on other  
13 than a calendar monthly basis.

14 Without regard to whether a taxpayer is required to make  
15 quarter monthly payments as specified above, any taxpayer who  
16 is required by Section 2d of this Act to collect and remit  
17 prepaid taxes and has collected prepaid taxes which average  
18 in excess of \$25,000 per month during the preceding 2  
19 complete calendar quarters, shall file a return with the  
20 Department as required by Section 2f and shall make payments  
21 to the Department on or before the 7th, 15th, 22nd and last  
22 day of the month during which such liability is incurred. If  
23 the month during which such tax liability is incurred began  
24 prior to the effective date of this amendatory Act of 1985,  
25 each payment shall be in an amount not less than 22.5% of the  
26 taxpayer's actual liability under Section 2d. If the month  
27 during which such tax liability is incurred begins on or  
28 after January 1, 1986, each payment shall be in an amount  
29 equal to 22.5% of the taxpayer's actual liability for the  
30 month or 27.5% of the taxpayer's liability for the same  
31 calendar month of the preceding calendar year. If the month  
32 during which such tax liability is incurred begins on or  
33 after January 1, 1987, each payment shall be in an amount  
34 equal to 22.5% of the taxpayer's actual liability for the

1 month or 26.25% of the taxpayer's liability for the same  
2 calendar month of the preceding year. The amount of such  
3 quarter monthly payments shall be credited against the final  
4 tax liability of the taxpayer's return for that month filed  
5 under this Section or Section 2f, as the case may be. Once  
6 applicable, the requirement of the making of quarter monthly  
7 payments to the Department pursuant to this paragraph shall  
8 continue until such taxpayer's average monthly prepaid tax  
9 collections during the preceding 2 complete calendar quarters  
10 is \$25,000 or less. If any such quarter monthly payment is  
11 not paid at the time or in the amount required, the taxpayer  
12 shall be liable for penalties and interest on such  
13 difference, except insofar as the taxpayer has previously  
14 made payments for that month in excess of the minimum  
15 payments previously due.

16 If any payment provided for in this Section exceeds the  
17 taxpayer's liabilities under this Act, the Use Tax Act, the  
18 Service Occupation Tax Act and the Service Use Tax Act, as  
19 shown on an original monthly return, the Department shall, if  
20 requested by the taxpayer, issue to the taxpayer a credit  
21 memorandum no later than 30 days after the date of payment.  
22 The credit evidenced by such credit memorandum may be  
23 assigned by the taxpayer to a similar taxpayer under this  
24 Act, the Use Tax Act, the Service Occupation Tax Act or the  
25 Service Use Tax Act, in accordance with reasonable rules and  
26 regulations to be prescribed by the Department. If no such  
27 request is made, the taxpayer may credit such excess payment  
28 against tax liability subsequently to be remitted to the  
29 Department under this Act, the Use Tax Act, the Service  
30 Occupation Tax Act or the Service Use Tax Act, in accordance  
31 with reasonable rules and regulations prescribed by the  
32 Department. If the Department subsequently determined that  
33 all or any part of the credit taken was not actually due to  
34 the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount

1 shall be reduced by 2.1% or 1.75% of the difference between  
2 the credit taken and that actually due, and that taxpayer  
3 shall be liable for penalties and interest on such  
4 difference.

5 If a retailer of motor fuel is entitled to a credit under  
6 Section 2d of this Act which exceeds the taxpayer's liability  
7 to the Department under this Act for the month which the  
8 taxpayer is filing a return, the Department shall issue the  
9 taxpayer a credit memorandum for the excess.

10 Beginning January 1, 1990, each month the Department  
11 shall pay into the Local Government Tax Fund, a special fund  
12 in the State treasury which is hereby created, the net  
13 revenue realized for the preceding month from the 1% tax on  
14 sales of food for human consumption which is to be consumed  
15 off the premises where it is sold (other than alcoholic  
16 beverages, soft drinks and food which has been prepared for  
17 immediate consumption) and prescription and nonprescription  
18 medicines, drugs, medical appliances and insulin, urine  
19 testing materials, syringes and needles used by diabetics.

20 Beginning January 1, 1990, each month the Department  
21 shall pay into the County and Mass Transit District Fund, a  
22 special fund in the State treasury which is hereby created,  
23 4% of the net revenue realized for the preceding month from  
24 the 6.25% general rate.

25 Beginning August 1, 2000, each month the Department shall  
26 pay into the County and Mass Transit District Fund 20% of the  
27 net revenue realized for the preceding month from the 1.25%  
28 rate on the selling price of motor fuel and gasohol.

29 Beginning August 1, 2001, each month the Department shall  
30 pay into the County and Mass Transit District Fund 20% of the  
31 net revenue realized for the preceding month from the 1.25%  
32 rate on the selling price of motor fuel used in implements of  
33 husbandry.

34 Beginning January 1, 1990, each month the Department



1	1986	\$54,800,000
2	1987	\$76,650,000
3	1988	\$80,480,000
4	1989	\$88,510,000
5	1990	\$115,330,000
6	1991	\$145,470,000
7	1992	\$182,730,000
8	1993	\$206,520,000;

9 and means the Certified Annual Debt Service Requirement (as  
10 defined in Section 13 of the Build Illinois Bond Act) or the  
11 Tax Act Amount, whichever is greater, for fiscal year 1994  
12 and each fiscal year thereafter; and further provided, that  
13 if on the last business day of any month the sum of (1) the  
14 Tax Act Amount required to be deposited into the Build  
15 Illinois Bond Account in the Build Illinois Fund during such  
16 month and (2) the amount transferred to the Build Illinois  
17 Fund from the State and Local Sales Tax Reform Fund shall  
18 have been less than 1/12 of the Annual Specified Amount, an  
19 amount equal to the difference shall be immediately paid into  
20 the Build Illinois Fund from other moneys received by the  
21 Department pursuant to the Tax Acts; and, further provided,  
22 that in no event shall the payments required under the  
23 preceding proviso result in aggregate payments into the Build  
24 Illinois Fund pursuant to this clause (b) for any fiscal year  
25 in excess of the greater of (i) the Tax Act Amount or (ii)  
26 the Annual Specified Amount for such fiscal year. The  
27 amounts payable into the Build Illinois Fund under clause (b)  
28 of the first sentence in this paragraph shall be payable only  
29 until such time as the aggregate amount on deposit under each  
30 trust indenture securing Bonds issued and outstanding  
31 pursuant to the Build Illinois Bond Act is sufficient, taking  
32 into account any future investment income, to fully provide,  
33 in accordance with such indenture, for the defeasance of or  
34 the payment of the principal of, premium, if any, and

1 interest on the Bonds secured by such indenture and on any  
2 Bonds expected to be issued thereafter and all fees and costs  
3 payable with respect thereto, all as certified by the  
4 Director of the Bureau of the Budget. If on the last  
5 business day of any month in which Bonds are outstanding  
6 pursuant to the Build Illinois Bond Act, the aggregate of  
7 moneys deposited in the Build Illinois Bond Account in the  
8 Build Illinois Fund in such month shall be less than the  
9 amount required to be transferred in such month from the  
10 Build Illinois Bond Account to the Build Illinois Bond  
11 Retirement and Interest Fund pursuant to Section 13 of the  
12 Build Illinois Bond Act, an amount equal to such deficiency  
13 shall be immediately paid from other moneys received by the  
14 Department pursuant to the Tax Acts to the Build Illinois  
15 Fund; provided, however, that any amounts paid to the Build  
16 Illinois Fund in any fiscal year pursuant to this sentence  
17 shall be deemed to constitute payments pursuant to clause (b)  
18 of the first sentence of this paragraph and shall reduce the  
19 amount otherwise payable for such fiscal year pursuant to  
20 that clause (b). The moneys received by the Department  
21 pursuant to this Act and required to be deposited into the  
22 Build Illinois Fund are subject to the pledge, claim and  
23 charge set forth in Section 12 of the Build Illinois Bond  
24 Act.

25 Subject to payment of amounts into the Build Illinois  
26 Fund as provided in the preceding paragraph or in any  
27 amendment thereto hereafter enacted, the following specified  
28 monthly installment of the amount requested in the  
29 certificate of the Chairman of the Metropolitan Pier and  
30 Exposition Authority provided under Section 8.25f of the  
31 State Finance Act, but not in excess of sums designated as  
32 "Total Deposit", shall be deposited in the aggregate from  
33 collections under Section 9 of the Use Tax Act, Section 9 of  
34 the Service Use Tax Act, Section 9 of the Service Occupation

1 Tax Act, and Section 3 of the Retailers' Occupation Tax Act  
2 into the McCormick Place Expansion Project Fund in the  
3 specified fiscal years.

4	Fiscal Year	Total Deposit
5	1993	\$0
6	1994	53,000,000
7	1995	58,000,000
8	1996	61,000,000
9	1997	64,000,000
10	1998	68,000,000
11	1999	71,000,000
12	2000	75,000,000
13	2001	80,000,000
14	2002	84,000,000
15	2003	89,000,000
16	2004	93,000,000
17	2005	97,000,000
18	2006	102,000,000
19	2007	108,000,000
20	2008	115,000,000
21	2009	120,000,000
22	2010	126,000,000
23	2011	132,000,000
24	2012	138,000,000
25	2013 and	145,000,000

26 each fiscal year  
27 thereafter that bonds  
28 are outstanding under  
29 Section 13.2 of the  
30 Metropolitan Pier and  
31 Exposition Authority  
32 Act, but not after fiscal year 2029.

33 Beginning July 20, 1993 and in each month of each fiscal  
34 year thereafter, one-eighth of the amount requested in the

1 certificate of the Chairman of the Metropolitan Pier and  
2 Exposition Authority for that fiscal year, less the amount  
3 deposited into the McCormick Place Expansion Project Fund by  
4 the State Treasurer in the respective month under subsection  
5 (g) of Section 13 of the Metropolitan Pier and Exposition  
6 Authority Act, plus cumulative deficiencies in the deposits  
7 required under this Section for previous months and years,  
8 shall be deposited into the McCormick Place Expansion Project  
9 Fund, until the full amount requested for the fiscal year,  
10 but not in excess of the amount specified above as "Total  
11 Deposit", has been deposited.

12 Subject to payment of amounts into the Build Illinois  
13 Fund and the McCormick Place Expansion Project Fund pursuant  
14 to the preceding paragraphs or in any amendment thereto  
15 hereafter enacted, each month the Department shall pay into  
16 the Local Government Distributive Fund 0.4% of the net  
17 revenue realized for the preceding month from the 5% general  
18 rate or 0.4% of 80% of the net revenue realized for the  
19 preceding month from the 6.25% general rate, as the case may  
20 be, on the selling price of tangible personal property which  
21 amount shall, subject to appropriation, be distributed as  
22 provided in Section 2 of the State Revenue Sharing Act. No  
23 payments or distributions pursuant to this paragraph shall be  
24 made if the tax imposed by this Act on photoprocessing  
25 products is declared unconstitutional, or if the proceeds  
26 from such tax are unavailable for distribution because of  
27 litigation.

28 Subject to payment of amounts into the Build Illinois  
29 Fund, the McCormick Place Expansion Project Fund, and the  
30 Local Government Distributive Fund pursuant to the preceding  
31 paragraphs or in any amendments thereto hereafter enacted,  
32 beginning July 1, 1993, the Department shall each month pay  
33 into the Illinois Tax Increment Fund 0.27% of 80% of the net  
34 revenue realized for the preceding month from the 6.25%

1 general rate on the selling price of tangible personal  
2 property.

3 Of the remainder of the moneys received by the Department  
4 pursuant to this Act, 75% thereof shall be paid into the  
5 State Treasury and 25% shall be reserved in a special account  
6 and used only for the transfer to the Common School Fund as  
7 part of the monthly transfer from the General Revenue Fund in  
8 accordance with Section 8a of the State Finance Act.

9 The Department may, upon separate written notice to a  
10 taxpayer, require the taxpayer to prepare and file with the  
11 Department on a form prescribed by the Department within not  
12 less than 60 days after receipt of the notice an annual  
13 information return for the tax year specified in the notice.  
14 Such annual return to the Department shall include a  
15 statement of gross receipts as shown by the retailer's last  
16 Federal income tax return. If the total receipts of the  
17 business as reported in the Federal income tax return do not  
18 agree with the gross receipts reported to the Department of  
19 Revenue for the same period, the retailer shall attach to his  
20 annual return a schedule showing a reconciliation of the 2  
21 amounts and the reasons for the difference. The retailer's  
22 annual return to the Department shall also disclose the cost  
23 of goods sold by the retailer during the year covered by such  
24 return, opening and closing inventories of such goods for  
25 such year, costs of goods used from stock or taken from stock  
26 and given away by the retailer during such year, payroll  
27 information of the retailer's business during such year and  
28 any additional reasonable information which the Department  
29 deems would be helpful in determining the accuracy of the  
30 monthly, quarterly or annual returns filed by such retailer  
31 as provided for in this Section.

32 If the annual information return required by this Section  
33 is not filed when and as required, the taxpayer shall be  
34 liable as follows:

1           (i) Until January 1, 1994, the taxpayer shall be  
2           liable for a penalty equal to 1/6 of 1% of the tax due  
3           from such taxpayer under this Act during the period to be  
4           covered by the annual return for each month or fraction  
5           of a month until such return is filed as required, the  
6           penalty to be assessed and collected in the same manner  
7           as any other penalty provided for in this Act.

8           (ii) On and after January 1, 1994, the taxpayer  
9           shall be liable for a penalty as described in Section 3-4  
10          of the Uniform Penalty and Interest Act.

11          The chief executive officer, proprietor, owner or highest  
12          ranking manager shall sign the annual return to certify the  
13          accuracy of the information contained therein. Any person  
14          who willfully signs the annual return containing false or  
15          inaccurate information shall be guilty of perjury and  
16          punished accordingly. The annual return form prescribed by  
17          the Department shall include a warning that the person  
18          signing the return may be liable for perjury.

19          The provisions of this Section concerning the filing of  
20          an annual information return do not apply to a retailer who  
21          is not required to file an income tax return with the United  
22          States Government.

23          As soon as possible after the first day of each month,  
24          upon certification of the Department of Revenue, the  
25          Comptroller shall order transferred and the Treasurer shall  
26          transfer from the General Revenue Fund to the Motor Fuel Tax  
27          Fund an amount equal to 1.7% of 80% of the net revenue  
28          realized under this Act for the second preceding month.  
29          Beginning April 1, 2000, this transfer is no longer required  
30          and shall not be made.

31          Net revenue realized for a month shall be the revenue  
32          collected by the State pursuant to this Act, less the amount  
33          paid out during that month as refunds to taxpayers for  
34          overpayment of liability.

1 For greater simplicity of administration, manufacturers,  
2 importers and wholesalers whose products are sold at retail  
3 in Illinois by numerous retailers, and who wish to do so, may  
4 assume the responsibility for accounting and paying to the  
5 Department all tax accruing under this Act with respect to  
6 such sales, if the retailers who are affected do not make  
7 written objection to the Department to this arrangement.

8 Any person who promotes, organizes, provides retail  
9 selling space for concessionaires or other types of sellers  
10 at the Illinois State Fair, DuQuoin State Fair, county fairs,  
11 local fairs, art shows, flea markets and similar exhibitions  
12 or events, including any transient merchant as defined by  
13 Section 2 of the Transient Merchant Act of 1987, is required  
14 to file a report with the Department providing the name of  
15 the merchant's business, the name of the person or persons  
16 engaged in merchant's business, the permanent address and  
17 Illinois Retailers Occupation Tax Registration Number of the  
18 merchant, the dates and location of the event and other  
19 reasonable information that the Department may require. The  
20 report must be filed not later than the 20th day of the month  
21 next following the month during which the event with retail  
22 sales was held. Any person who fails to file a report  
23 required by this Section commits a business offense and is  
24 subject to a fine not to exceed \$250.

25 Any person engaged in the business of selling tangible  
26 personal property at retail as a concessionaire or other type  
27 of seller at the Illinois State Fair, county fairs, art  
28 shows, flea markets and similar exhibitions or events, or any  
29 transient merchants, as defined by Section 2 of the Transient  
30 Merchant Act of 1987, may be required to make a daily report  
31 of the amount of such sales to the Department and to make a  
32 daily payment of the full amount of tax due. The Department  
33 shall impose this requirement when it finds that there is a  
34 significant risk of loss of revenue to the State at such an

1 exhibition or event. Such a finding shall be based on  
2 evidence that a substantial number of concessionaires or  
3 other sellers who are not residents of Illinois will be  
4 engaging in the business of selling tangible personal  
5 property at retail at the exhibition or event, or other  
6 evidence of a significant risk of loss of revenue to the  
7 State. The Department shall notify concessionaires and other  
8 sellers affected by the imposition of this requirement. In  
9 the absence of notification by the Department, the  
10 concessionaires and other sellers shall file their returns as  
11 otherwise required in this Section.

12 (Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98;  
13 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff.  
14 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901,  
15 eff. 1-1-01; revised 1-15-01.)

16 Section 30. The Motor Fuel Tax Law is amended by  
17 changing Section 13a as follows:

18 (35 ILCS 505/13a) (from Ch. 120, par. 429a)

19 Sec. 13a. Commercial vehicle motor fuel use tax.

20 (1) A tax is hereby imposed upon the use of motor fuel  
21 upon highways of this State by commercial motor vehicles. The  
22 tax shall be comprised of 2 parts. Part (a) shall be at the  
23 rate established by Section 2 of this Act, as heretofore or  
24 hereafter amended. Part (b) shall be at the rate established  
25 by subsection (2) of this Section as now or hereafter  
26 amended.

27 (2) Except as otherwise provided in this subsection (2),  
28 a rate shall be established by the Department as of January 1  
29 of each year using the average "selling price", as defined in  
30 the Retailers' Occupation Tax Act, per gallon of motor fuel  
31 sold in this State during the previous 12 months and  
32 multiplying it by 6 1/4% to determine the cents per gallon

1 rate.

2 For the period beginning on July 1, 2000 and through  
3 December 31, 2000, the Department shall establish a rate  
4 using the average "selling price", as defined in the  
5 Retailers' Occupation Tax Act, per gallon of motor fuel sold  
6 in this State during calendar year 1999 and multiplying it by  
7 1.25% to determine the cents per gallon rate.

8 For motor fuel used in implements of husbandry, as  
9 defined in Section 1-130 of the Illinois Vehicle Code, for  
10 the period beginning on July 1, 2001 and through December 31,  
11 2001, the Department shall establish a rate using the average  
12 "selling price", as defined in the Retailers' Occupation Tax  
13 Act, per gallon of motor fuel sold in the State during the  
14 calendar year 2000 and multiplying it by 1.25% to determine  
15 the cents per gallon rate.

16 For motor fuel used in implements of husbandry, as  
17 defined in Section 1-130 of the Illinois Vehicle Code, for  
18 the calendar year 2002, the Department shall establish a rate  
19 using the average "selling price", as defined in the  
20 Retailers' Occupation Tax Act, per gallon of motor fuel sold  
21 in the State during the previous 12 months and multiplying it  
22 by 1.25% to determine the cents per gallon rate.

23 For motor fuel used in implements of husbandry, as  
24 defined in Section 1-130 of the Illinois Vehicle Code, for  
25 the period beginning on January 1, 2003 and through June 30,  
26 2003, the Department shall establish a rate using the average  
27 "selling price", as defined in the Retailers' Occupation Tax  
28 Act, per gallon of motor fuel sold in the State during the  
29 calendar year 2002 and multiplying it by 1.25% to determine  
30 the cents per gallon rate.

31 Beginning again on July 1, 2003, the Department shall  
32 impose the tax on all motor fuel in accordance with the rate  
33 established in this subsection (2) corresponding to the rate  
34 of tax imposed on motor fuel under the Use Tax Act, the

1 Service Use Tax Act, the Service Occupation Tax Act, and the  
2 Retailers' Occupation Tax Act.

3 (Source: P.A. 91-872, eff. 7-1-00.)

4 Section 99. Effective date. This Act takes effect on  
5 July 1, 2001.